

# **PARLIAMENT OF THE REPUBLIC OF FIJI**



## **PARLIAMENTARY DEBATES**

### **DAILY HANSARD**

**WEDNESDAY, 19TH FEBRUARY, 2020**

**[CORRECTED COPY]**

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**WEDNESDAY, 19TH FEBRUARY, 2020**

The Parliament resumed at 9.40 a.m. pursuant to adjournment.

HONOURABLE SPEAKER took the Chair and read the Prayer.

**PRESENT**

All Honourable Members were present except all the Honourable Members of the Opposition.

**MINUTES**

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Mr. Speaker, Sir, I move:

That the Minutes of the sitting of Parliament held on Tuesday, 18th February, 2020, as previously circulated, be taken as read and be confirmed.

HON. A.A. MAHARAJ.- Honourable Speaker, Sir, I second the motion.

Question put.

Motion agreed to.

**COMMUNICATION FROM THE CHAIR**

Welcome

HON. SPEAKER.- I welcome all Honourable Members to today's sitting of Parliament.

I also welcome members of the public joining us in the gallery and those watching the live broadcast of the proceedings on television and the internet. Thank you for taking an interest in your Parliament.

**PRESENTATION OF PAPERS AND CERTAIN DOCUMENTS**

HON. SPEAKER.- I now call upon the Attorney-General and Minister for Economy, Civil Service and Communications, the Honourable Aiyaz Sayed-Khaiyum to table his Reports. You have the floor, Sir.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, in accordance with Standing Order 38, I present the following Reports to Parliament -

1. Fourth Quarter Appropriation Statement for the period 1st May 2019 to 31st July 2019; and
2. First Quarter Appropriation Statement for the period 1st August 2019 to 31st October 2019.

Thank you, Sir.

HON. SPEAKER.- Please, hand the Reports to the Secretary-General.

(Reports handed to the Secretary-General)

HON. SPEAKER.- Under Standing Order 38(2), I refer the following Reports to the Standing Committee on Public Accounts –

1. Fourth Quarter Appropriation Statement for the period 1st May 2019 to 31st July 2019; and
2. First Quarter Appropriation Statement for the period 1st August 2019 to 31st October 2019.

### **PRESENTATION OF REPORTS OF COMMITTEES**

#### Standing Committee on Justice, Law and Human Rights Review Report of the Office of the President's Annual Report 2016-2017

HON. SPEAKER.- I now call on the Chairperson of the Standing Committee on Justice, Law and Human Rights, the Honourable Alvick Maharaj, to table his Report. You have the floor, Sir.

HON. A.A. MAHARAJ.- Thank you, Honourable Speaker, Sir.

Honourable Speaker, the function of the Office of the President is to provide support to the President of the Republic of Fiji so His Excellency the President can carry out his duties effectively as stipulated in the Constitution of the Republic of Fiji, 2013. The Office is headed by the Official Secretary and several support staff.

The Standing Committee on Justice, Law and Human Rights was referred the Office of the President's Annual Report 2016-2017 on 7th August, 2019 for review and report back its findings to Parliament.

The Committee read through the Report and raised several questions for clarification to the Office of the President. The Office provided responses to the questions and these were scrutinised by the Committee.

In its review, the Committee highlighted several findings from the Report. Some of these findings are;

- Facilitation by the Office of the work and national and international engagements of His Excellency the President of Fiji;
- Facilitation of His Excellency's engagement as advocate and champion in eradicating Non-Communicable Diseases;
- Development of human resources through ongoing training; and
- Improving financial management capabilities.

Consideration was also given to the requirements of the Standing Orders of the Parliament pertaining to the impact on gender when deliberating on the Annual Report, however, appreciation was given to the apparent gap in placing emphasis on such requirements when the Report was drafted and tabled in Parliament. Based on the findings of the Report, the Committee makes the following recommendations –

- Future reports of the Office adhere to current reporting practices, including highlighting the status of the Office with regards to the National Development Plan.
- The Committee commends the work done by the Office of the President and recommends that in future, the Office also to specifically indicate in its Annual Report the NDP targets that will be achieved via programmes.
- The Committee commends the Office for the tireless efforts in engaging with youths and creating awareness on NCDs. The Committee recommends that the Office continues with the awareness programme to combat against NCDs as human rights issues.

Through the review of the Office of the President's Annual Report 2016-2017 and through the finding of the Committee, it can be inferred that there have been commendable effort and tireless work conducted by the Office in meeting its obligations. However, the Committee, after extensive deliberation, has come up with certain recommendations that it feels warrant consideration by the Office.

I would also like to thank the Honourable Members of the Standing Committee on Justice, Law and Human Rights for their deliberations and input; the Alternate Members who made themselves available when the Substantive Members could not attend; the Secretariat and the officials from the Office of the President, who had assisted in the Committee work.

On behalf of the Standing Committee on Justice, Law and Human Rights, I commend the Office of the President's Annual Report 2016-2017 to Parliament, and request all the Members of this august House to take into consideration the recommendations put forth by the Committee. Thank you, Honourable Speaker.

HON. SPEAKER.- Thank you, please, hand the Report to the Secretary-General.

(Report handed to the Secretary-General)

HON. A.A. MAHARAJ.- Honourable Speaker, Sir, pursuant to Standing Order 121(5), I hereby move a motion, without notice, that a debate on the content of the Report is initiated at a future sitting. Thank you.

HON. R.R. SHARMA.- Honourable Speaker, Sir, I second the motion.

Question put.

Motion agreed to.

HON. SPEAKER.- I now call on the Chairperson of the Standing Committee on Social Affairs, the Honourable Viam Pillay, to table his Report. You have the floor, Sir.

Standing Committee on Social Affairs  
Public Rental Board Annual Review Report for Year Ended 31st December 2017

HON. V. PILLAY.- Thank you, Honourable Speaker, Sir. I am pleased to present the Report of the Standing Committee on Social Affairs on the Annual Review of the Public Rental Board for the Year ended 31st December, 2017.

In accordance with its established Annual Report Review process, the Committee examines Annual Reports of agencies in order to investigate, inquire into, and make recommendations relating to the agencies' administration, legislative or proposed legislative programme, budget, functions, organisational structure and policy formulation. As part of this process, the Committee conducted public hearings to gather additional information.

The process has proven to be an effective means of gauging its progress and maintaining a high level of scrutiny of the agencies under review. This review was made in accordance with Standing Order 109(2)(b) which mandates the Committee to look into issues related to health, education, social services, labour, culture and media. The review looked at nine key areas covering the period from 1st January to 31st December, 2017, conducted into:

- the Board's administration;
- structure;

- budgetary allocation;
- programmes and activities;
- policies;
- challenges;
- highlights;
- priorities for the coming years; and
- its implementation of the Sustainable Development Goals (SDGs).

At this juncture, I also would like to thank the Acting General Manager of the Public Rental Board, Mr. Patrick Veu, and his staff for their assistance in this review process. I also extend my gratitude to my Committee colleagues, namely: Honourable George Vegnathan (Deputy Chairperson), Honourable Alipate Nagata, Honourable Salote Radrodro and Honourable Dr. Ratu Atonio Lalabalavu, for their contributions as well as to Honourable Simione Rasova for availing himself as an Alternate Member for those Members who were unable to attend the Committee Meetings. Finally, I thank the Secretariat for the assistance provided during the Committee's deliberations.

On behalf of the Standing Committee on Social Affairs, I commend the Public Rental Board 2017 Annual Report to Parliament, and request all Members of this august House to take note of the Committee's Report. Thank you, Honourable Speaker, Sir.

HON. SPEAKER.- Thank you. Please, hand the Report to the Secretary-General.

(Report handed to the Secretary-General)

HON. V. PILLAY.- Mr. Speaker, pursuant to Standing Order 121(5), I hereby move a motion, without notice, that a debate on the content of the Report is initiated at a future sitting.

HON. G. VEGNATHAN.- Honourable Speaker, Sir, I second the motion.

Question put.

Motion agreed to.

HON. SPEAKER.- I now call on the Chairperson of the Standing Committee on Public Accounts, the Honourable Alvick Maharaj, to table his Report. You have the floor, Sir.

Standing Committee on Public Accounts -  
Report Containing Audited Financial Statements for Six (6) Provincial Councils from 2000–2007

HON. A.A. MAHARAJ.- Thank you, Honourable Speaker. Honourable Speaker, this Report follows the Report of the Auditor-General of the Republic of Fiji – Provincial Councils Volume 1 for the period 2000 – 2007. It is important to note that this is the first of the two volumes of reports for Provincial Councils tabled by the Auditor-General in Parliament.

The Committee noted that between 2015 and 2018, the Office of the Auditor-General received from the iTaukei Affairs Board 114 draft Financial Statements for 14 Provincial Councils. The audit of the Provincial Councils have been extensively delayed and is primarily due to the non-submission of the financial statements annually to the Office of the Auditor-General thus resulting in a backlog of 14 years of timely preparation and quality submission of annual accounts.

This Report contains the audited financial statements for six Provincial Council for the years ranging from 2000 to 2007, namely:

1. Tailevu (2002 to 2007);
2. Naitasiri (2000 to 2007);
3. Lau (2003 to 2007);
4. Macuata (2005 to 2007);
5. Rewa (2002 to 2005); and
6. Rewa Provincial Council (2002 – 2005).

It was found that there were 126 significant matters on the audit of 30 Financial Statements of the six Provincial Councils, which is not a good reflection of the iTaukei Affairs Board.

In this regard, the Committee strongly recommends that immediate action needs to be drawn towards the timely submission of Provincial Councils financial statement for auditing, compliance with accounting standards and international best practices, provision of resources to ensure compliance and confirmation of investments with provincial companies and resolution on whether Provincial Councils are subject to VAT.

The Committee is of the strong view that Provincial Councils need to strengthen internal controls over cash management, journals and reconciliations, purchases and payments and payroll pursuant to the Audit Act 1969, iTaukei Affairs Act 1994 and the iTaukei Affairs (Provincial Council) Regulation 1996.

Overall, I would like to thank the Chief Executive Officer for iTaukei Affairs Board for appearing before the Committee, and for the work done so far in trying to improve its systems and processes for the Provincial Councils to address those audit issues.

I also commend the work of the Office of the Auditor-General for the audit and the support provided in terms of clarifications on those audit issues that were reported.

I also wish to extend my appreciation to all the Honourable Members of the Committee for their valuable contribution in the successful compilation of this bipartisan Report, namely Honourable Joseph Nand (Deputy Chairperson), Honourable Vijendra Prakash, Honourable Aseri Radrodoro and Honourable Ratu Naiqama Lalabalavu, and pursuant to Standing Order 115(5), Honourable Adi Litia Qionibaravi who stood in as an Alternate Member.

On behalf of the Committee, I also extend my appreciation to the Secretariat staff for their timely support in the compilation and preparation of this Report. With those few words, I now commend this Report to Parliament.

HON. SPEAKER.- Thank you. Please, hand the Report to the Secretary-General.

(Report handed to the Secretary-General)

HON. A.A. MAHARAJ.- Honourable Speaker, Sir, pursuant to Standing Order 121(5), I hereby move a motion without notice that a debate on the content of the Report is initiated at a future sitting. Thank you.

HON. J. NAND.- Honourable Speaker, Sir, I beg to second the motion. Thank you.

Question put.

Motion agreed to.

## MINISTERIAL STATEMENTS

HON. SPEAKER.- Honourable Members, the following Ministers have given notice to make Ministerial Statements under Standing Order 40:

1. Minister for Lands and Mineral Resources; and
2. Minister for Employment, Productivity, Industrial Relations, Youth and Sports.

Honourable Members, each Minister may speak for up to 20 minutes. After which, I will then invite the Honourable Leader of the Opposition or his designate to speak on the statement for no more than 5 minutes.

There will also be a response from the Leader of the NFP or his designate to also speak for 5 minutes. There will be no other debate.

I now call upon the Minister for Lands and Mineral Resources, Honourable Ashneel Sudhakar, to deliver his Statement. You have the floor, Sir.

### Land Bank Initiative

HON. A. SUDHAKAR.- Thank you, Honourable Speaker. Honourable Speaker, Honourable Prime Minister, Honourable Ministers, Honourable Members of Parliament, to our guests in the gallery and to the people of Fiji watching through various forms of media, be it through live TV, *Walesi* platform or through the internet livestream and also the Opposition (who knows) who might be hearing from their bunker upstairs somewhere: As we enter the Year 2020, we take this opportunity to look back at the time we have progressed as Fijians and be proud of what has been achieved so far. Honourable Speaker, the FijiFirst Government, in its pursuit of becoming an upper middle-income country and to achieving the highest living standard is driven by the establishment of a modern and inclusive Fijian Constitution along with an unprecedented programme of land reform across Government.

HON. MEMBERS.- *Vinaka*.

HON. A. SUDHAKAR.- These reforms are to improve access to land through the Land Bank initiative which have been implemented since 2011 through the Land Use Division. The Ministry will continue to use the full potential of existing laws to fast-track rural development and land reform.

The Land Use Division/Land Bank is a Government initiative programme designed to make more land available for productive and socio-economic purposes. This underpins Government initiatives of stimulating economic activities in the utilisation of available resources and with wider participation.

The Government will provide the following services in order to fulfil the intent of the land reform initiative through efficient and effective surveying of land parcels deposited into the land bank, valuation of land at market value, efficient and effective rental collections and payment distribution and development of land parcels for optimal use.

The Bainimarama Government will continue to channel maximum returns to the Land Owning Unit through the development of their land and the protection of investor's rights for setting up business on the land.

HON. GOVERNMENT MEMBER.- Hear, hear!



HON. A. SUDHAKAR.- Honourable Speaker, in August 2019, Honourable Nawaikula stated and, I quote:

“That the landowners have the right to own and manage their own native land. They have the right to be consulted first before any legislation is passed.”

Honourable Nawaikula fails to recognize and address the effective management of the land reform programme under the Land Bank initiative. The important point is that, at least 60 percent of the landowners must agree before the rest of the process can take place. If the landowning unit disagrees, the process stops there. In addition, after the landowners have given consent, the Honourable Prime Minister then designates the land before it finally goes into the Land Bank. The landowners of Fiji need to know that the State is not taking away or stealing their land as the Opposition termed as “land grab”. It is not!

Furthermore, the landowners do not incur any administration fee like they do with iTaukei Land Trust Board. The iTLTB takes its cut after it collects the lease money from the tenants and gives the remainder to the landowners. This cut pays for the iTLTB administration. Therefore, landowners who lease their land to the Land Bank will receive more money than those who would prefer to stay with iTLTB.

In fact, Honourable Speaker, Honourable Nawaikula should know this very well because recently he was instrumental in stopping a Land Bank deposit. There was a piece of land in Kokomo that was agreed by the landowners to be leased to the Land Bank, all the ground work was done and then Honourable Nawaikula went and instigated the landowners to withdraw and we were stuck with the choice of landowners, they gave 69 percent consent for withdrawal, we returned the land to them. What has happened now is that the landowners are in a limbo. So iTaukei Land Trust Board does not want to take their land, Land Use Unit has withdrawn, the landowners who would have made good profit, good money out of this deal have lost out because of people like Honourable Nawaikula and the likes of him.

(Honourable Members interject)

HON. A. SUDHAKAR.- At this juncture, Honourable Speaker, I would also like to reiterate and show my displeasure and astonishment of the statement made by Honourable Nawaikula on Monday, 17th February, 2020 that the Government is using the Open Merit-Based Recruitment System (OMRS) to eliminate iTaukei staff. He has made an astounding comment that in Ministries, Director-above positions have been cleared off iTaukei people - that is totally wrong, Honourable Speaker.

The OMRS system, I can vouch for it, is a system that is designed to recognise the merits of the candidate - of an employee. It is designed to look at qualification, experience, it is not designed to look at a particular person's race, ethnicity, religion, province or their gender. The sole purpose of it is merit, and I can vouch for my Ministry, Honourable Speaker, my Permanent Secretary is an iTaukei, Mr. Josefa Caniogo; Director, Lands, is an iTaukei; and my Deputy Secretary is an iTaukei. We do not do racial profiling but to bring it in light of what Honourable Nawaikula was saying, it is totally incorrect for him to say that the system is designed to eradicate *iTaukei* from the system, which is wrong. He should apologise to all the hardworking civil servants. What he has done is a great injustice to our civil servants.

Honourable Speaker, a stronger leader which the Honourable Opposition Leader does not seem to be, would have removed Honourable Nawaikula for his comments in Parliament. If a person, if a Member from this side of the House made a statement, my leader will not hesitate to remove him from Parliament immediately because it has caused racial discrimination, it has caused a racial profiling of our Civil Service.

Honourable Speaker, the Ministry conducts landowners' consultation and awareness throughout the duration of a financial year. From August to the month of February, approximately 30 landowners'

awareness/consultations, 30 landowners' re-visitations and 50 roadshows were conducted. Landowners' consultation is an integral fragment of the Land Use Division's operations and the welfare of the resource owners is and will always be a priority.

It has been the priority for Land Use Division to always re-visit resource owners to keep them on par with the developments of the Land Bank. Awareness and consultations have increased to 73 for this financial year. The success of these annual consultation workshops has helped bring forward proposals and views that reflect the wishes and aspirations of the resource owners, a two-way communication that encourages them to have a voice. The participants expressed their individual evaluation responses, their gratitude with the idea of involvement and community liaison promoted by the Government to reflect the very best in terms of inclusivity. Honourable Speaker, the Bainimarama Government will ensure that any Land Owning Unit (LOU) which deposits their land into the Bank will reap the rewards handsomely.

One of the successful projects is the first premium the land rent payment to *Mataqali Volivoli* of Ketei Village in Savusavu for their 100 acres of land deposited in the Land Bank. The Ministry, on 23<sup>rd</sup> December, 2019, presented a cheque of \$115,700 to the five of the 14 subsistence agriculture lots.

The progressive payments for the remaining nine lots will be paid out as and when received. Each lot averages an area of six to eight acres for agricultural use, with premium payment ranging between \$20,000 to \$30,000, an yearly rental of about \$1,200 to \$1,800 a year.

Honourable Speaker, the LOU can also benchmark their land on the Mineral Fair Share Royalty Payout. The Ministry, in the past six months, has made a total of six Mineral Royalty Fair Share payouts totalling \$5.05 million to three Land Owning Units with a total of 350 landowners and to two freehold landowners:

- 1) Mataqali Naicobo of Nawailevu, Bua received \$1,027,063.49 for 203 members;
- 2) Mataqali Naita of Votua, Bua received \$23,203.59 for 80 members;
- 3) Mataqali Serau of Nabiti, Dreketi (Macuata) received \$63,828.90 for 67 members;
- 4) Nasomo Landowners Trust received \$393,950.71 for 123 members; and
- 5) Vatukoula Gold Mines Limited received \$3.5 million as a freeholder.

Therefore, all land deposited in the Land Bank and later determined as a prospect site for mining will receive similar Fair Share Royalty Payouts. This is the best method in encouraging the Land Owning Unit on the best way to utilize their land and earn optimal returns.

Honourable Speaker, since inception in 2011, the Ministry has achieved the following:

- 1) Designated a total of 118 land parcels with a total area of 10,569.43 hectares (26,106 acres);
- 2) Out of the 118 designations, 2 native land parcels have reverted to the landowners due to their wish to cease designation. This is an option available to the landowners if they so wish to withdraw their land from the designation after five years if the land remains unleased. This is a narration that needs to be highlighted in this august House to set the record straight over the numerous misconception often preached by the Members of the other side of the House that the Government will rob the landowners of their rights once the land is deposited at the Land Bank. This is a serious role inflicted on the minds of the numerous landowning resources; the iTaukei resource owners - a cheap shot strategically erupted by the opposite side to gain their own selfish political mileage.
- 3) There is a total of 100 designated iTaukei land parcels, of which 89 land parcels have been surveyed;

- 4) Aligned to the objectives of the Land Use Act, the Land Use Unit has derived a total amount of \$11,206,531.93 in lease proceeds for 71 leases. This amount is expected to increase before the end of this financial year; and
- 5) The market valuation of the designated customary land with ongoing assessment of prevailing market rates is a progressive component of the Division's operations. This is a proactive measure adopted to ensure pre-determined market rates for designated properties. This is made available to both landowners and potential investors as and when required.

Honourable Speaker, it is worth to note that investors are more confident investing in the local economy when the Government is involved in the process in taking the lead role in the development of both State and Native Land. Government will do all it could to ensure that the right advice received and the right assistance is given to ensure that money is responsibly invested.

The Ministry successfully coordinated a Landowner Financial Literacy Consultation workshop through the progressive considered efforts between the Ministry of Lands in collaboration with Government agencies and relevant stakeholders. This is to reflect the importance of land governance in the development agenda for the best utilisation of economic returns received by landowning units.

The workshop is an annual event conducted by the Land Use Division to ensure appropriate financial literacy trainings and awareness is well-executed to build capacity. Furthermore, to encourage and foster partnership with Land Owning Units (LOUs) to create locally appropriate investment solutions and tangible results that last.

The three-day consultation workshop boasted presentations from motivational speakers, key financial and lending institutions, including bankers, auditors, successful individuals, big scale commercial farmers, local entrepreneurs and development innovations to up-skill and modernize the participants' understanding and upgrade their living standards.

Honourable Speaker, I must acknowledge, commend and thank the continuing support of the financial institutions and agencies in availing valuable time and resources to partake in the successful execution of the landowners' financial literacy consultation workshop. Their professional attributes and contribution to the livelihood of these resource owners have established a platform and exposure to promote sustainability and avail directions to establish small and medium enterprises for native resource owners.

Honourable Speaker, the Ministry, as stated before in this august House, is looking into adopting the equal distribution of rentals in alignment with Section 29(4) of the 2013 Constitution. The complexity of fund utilization and the landowners' insecurities can only be alleviated if the concept of equal distribution is adopted. The concept has proven successful ever since its implementation by iTLTB and has tremendously reduced the complexities of fund distribution conflicts amongst the landowners.

In every aspect of the Ministry's services, consultations will be done prior to the execution of the Ministry's scheduled programs and activities. In this financial year, the Ministry will commence with the Land Owning Unit's consultation in the coming months as this will properly gauge the responses from respective *Mataqalis* and landowning units.

The Ministry, in this financial year, is also taking the initiative to utilize idle State land by depositing it into the Land Bank. This is the simplest and most efficient way to utilize idle land and earn revenue for the Government. This initiative includes, not only for agricultural land but residential, commercial, industrial and other types of State land as well.

Honourable Speaker, this method will result in the following benefits:

- 1) put the land into better use and increase soil fertility and ensuring future food security for the nation;
- 2) promotion of compatible uses;
- 3) provides employment for the Fijian people in terms of land development;
- 4) increase investment opportunities;
- 5) promote rural development; and
- 6) revenue collected will be used for the provision of basic facilities and improvement of the country's infrastructure, and many other positive impacts that will benefit the community and the local economy as a whole.

Furthermore, the Ministry has completed the planning and consultation stages in the Central, Western and Northern Divisions. We have commenced with the concept plan for four State land parcels identified for subdivision, a 20-hectare land in Cuvu Top, Nadroga, the development of 100 residential lots, 300-acre of farmland in Vunicibicibi, Naitasiri, approved scheme plan for the growth of a town centre in Dreketi and 3.66 hectares of industrial land in Savusavu.

Honourable Speaker, to conclude, the *iTaukei* landowners should be rest-assured that the FijiFirst Government will put them first and the Ministry will always opt for the highest and the best use approach with high returns for their land. I thank you, Honourable Speaker.

(Acclamation)

HON. SPEAKER.- I thank the Honourable Minister for his Statement. As there is no response from the Opposition on this occasion, we will adjourn for morning tea and when we resume, we will have the second Statement. We adjourn for morning tea.

The Parliament adjourned at 10.17 a.m.

The Parliament resumed at 11.02 a.m.

HON. SPEAKER.- Honourable Members, we will continue from where we left off before the tea adjournment, and I call upon the Minister for Employment, Productivity, Industrial Relations, Youth and Sports, the Honourable Praveen Bala, to deliver his Statement. You have the floor, Sir.

Update - Formulation, Enforcement and Compliance with National Minimum Wage  
Under Employment Relations Act 2007

HON. P.K. BALA.- Thank you, Mr. Speaker, Sir. Mr. Speaker, Sir, the Honourable Prime Minister, Honourable Ministers, Honourable Members of Parliament and members of the public at the gallery: Mr. Speaker, Sir, I rise to provide an update on the essential component of our work as part of the Ministry's role that is undertaken by my Ministry on the formulation, enforcement and compliance with the National Minimum Wage under the Employment Relations Act 2007.

Mr. Speaker, Sir, a lot of false and misleading statements have been made on the Review of the National Minimum Wage, and I want to quote what Honourable Ro Tuisawau posted on his *Facebook* and I quote:

“Where the hell is the Minimum Wage Review, Bala, where is the Review, why are you quiet?”

Others on social media and in Parliament claimed the process had been delayed taking it towards the Elections, some said that the work has not begun, and so on. These are total fabrication, Mr. Speaker, Sir, made up stories intended to mislead the Fijians. The facts speak for themselves and are very clear as I will outline later in this address.

Mr. Speaker, Sir, let me respond to all those outright lies and dishonoured claims by the Opposition. During the 1960s, wages councils were established and regulated under the Wages Council Act 1960. This was a mechanism to set effective wages and decent employment condition by way of wages regulation bodies. This was to benefit and estimate over 70 percent of workers at that time in 1960s, who were employed in various business sectors and who were less fortunate to be protected by the trade union bodies.

Mr. Speaker, Sir, I would like this august House to note that the percentage of workers who are currently affected by the minimum wage order is about 4 percent, estimated at just over 20,000 workers, according to the Baseline Survey. These 20,000 plus Fijian workers matter greatly. This is why we have embarked on a comprehensive exercise to ensure that each minimum wage order brings with it a substantial yet viable increase for these 20,000 Fijian workers. I will outline these increases and the processes towards the minimum wage orders later in the Statement.

Mr. Speaker, Sir, the Fijian Constitution states in Section 33(1):

*“The State must take reasonable measures within its available resources to achieve the progressive realisation of the right of every person to work and to a just minimum wage.”*

Mr. Speaker, Sir, the National Minimum Wage must ensure that vulnerable employees are not exploited to provide decent wages and that set minimum wages do not discourage productivity and competition for employers. This is the balancing act, Mr. Speaker, Sir, at the heart of the process of fixing and applying a just minimum wage for all parties. And this is what the Opposition parties do not bring into their calculation when it comes to the minimum wage. We must protect workers and we must protect employers, Mr. Speaker, Sir. We cannot afford to have in place a mechanism for political adjustment, otherwise the Fijian economy will not be viable for investment or productivity.

We have heard their comments and I am sure, they will keep on going on and on about the burden on workers, but they will not give a balanced view of affordability to employers. Let me point out, Mr. Speaker, Sir, that many of those who employ casual labourers, housekeepers or gardeners are done by individual householders, not just businesses. The National Minimum Wage covers workers in areas like backyard garage, domestic workers, farm labourers, car wash workers and others who are not covered under the 10 regulated sectoral minimum wages.

Mr. Speaker, Sir, there was no wages order for the seafarers in the review but we have now included them as well. At this point, I must credit those employers who pay above minimum wages because their businesses can afford it and they can still run viable enterprises. Mr. Speaker, Sir, it must be noted that it was only under the FijiFirst Government and under the leadership of our Honourable Prime Minister that this country became compliant to the International Labour Organisation, Minimum Wage Fixing Machinery Convention - No. 26, which Fiji ratified in 1974.

In line with ILO Convention 26, Section (33)(1) of the Fijian Constitution and the FijiFirst Manifesto gave Fiji's first ever National Minimum Wage whereby a national survey was conducted in 2013 and 2014. This resulted in a minimum wage rate of \$2 an hour that came into force from 1<sup>st</sup> March, 2014. This benefited an estimated 100,000 Fijian workers who were, prior to the introduction of the National Minimum Wage, were paid some 70 cents to one dollar an hour.

Mr. Speaker, Sir, I hope this puts to rest the harping going on about minimum wages as if it had existed under the previous governments in a proactive manner. To put it simply and firmly, it was only under the FijiFirst Government has there been a well-structured application of the Minimum Wage Order. The National Minimum Wage of \$2 per hour was reviewed and implemented in 2015 within a span of one and a half year. The new wages rate of \$2.32 came into force from 1<sup>st</sup> July, 2015.

Mr. Speaker, Sir, the National Minimum Wage was again reviewed in 2017. This survey was undertaken in the formal and informal sectors from April/May 2017 throughout Fiji in particular, in urban centres where small, medium and large enterprises were located.

Mr. Speaker, Sir, the National Minimum Wage rate was increased to \$2.68 from 30<sup>th</sup> September, 2017 after nationwide consultation. This resulted in an increase in the wages of ordinary workers to \$128.65 on gross weekly wages as these wages rates and annual income fall below the income tax threshold, most of the gross is take home pay except for the FNPF deduction which in itself is compulsory savings for the workers.

Mr. Speaker, Sir, the new National Minimum Wage has given ordinary workers their right to just and fair minimum wages which has benefited Fijians workers in terms of their needs. The Opposition keeps on bringing different baskets of goods to exemplify cost of living impact on minimum wages level. This is to support their old arguments that the minimum wage is not able to offer a basic living wage.

Mr. Speaker, Sir, the consultant for this current review did all the breakdowns and was satisfied that with other measures such as price-controlled goods, a reasonable basket of goods was to be had from the current minimum wages and with the current review and based on previous examples, this basket will only get bigger with another increment in the minimum wage order.

Mr. Speaker, Sir, following Cabinet endorsement for a comprehensive review of the 2017 National Minimum Wage and Wages Regulation, the nationwide survey was conducted from 17<sup>th</sup> April to 10<sup>th</sup> May, 2019 for the formal and informal sectors followed by public consultation from 23<sup>rd</sup> May to 5<sup>th</sup> June, 2019 in all towns and city centres which was followed by consultations with the key stakeholders.

A sample size of a massive 4,500 workers participated in the nationwide survey. Mr. Speaker, Sir, this survey revealed that 65 percent of the workers in the informal sector are earning above and only living wage rate of \$2.90 per hour. About 31 percent of the workers are already earning a wage rate of \$4 an hour in Fiji.

Mr. Speaker, Sir, this survey shows that over 96 percent of the Fijian workers currently earn above the minimum wage rate. Therefore my earlier reference to the 4 percent or just over 20,000 workers are affected by this and as per the FijiFirst mandate that every Fijian matters, that means no matter how low percentage, the minimum wage rate for this sector must be looked into so that it reflects the current economic conditions and what a just minimum wage is according to them.

Mr. Speaker, Sir, in the last General Elections, parties made a lot of minimum wages and in their big blown-out promises of big dollars, neglected to tell the true story of what minimum wages are about and what percentage of the Fijian workers who get affected by it.

HON. GOVERNMENT MEMBER.- Hear, hear!

HON. P.K. BALA.- Mr. Speaker, Sir, I hope that facts and figures I have outlined in this regard makes sense to the sensible, intelligent Fijian workers that we know we have and assure them of a sustainable and a fair minimum wage. I know they have no time for false promises of youths in practical wage rates.

Mr. Speaker, Sir, as part of the National Minimum Wage Review processing, the consultant will be presenting the 2019 National Minimum Wage Review Report within the next month after which it will be taken through our tripartite mechanism, the Employment Relations Advisory Board and then to Cabinet.

Mr. Speaker, Sir, I must emphasize here for the benefit of those who have been playing political football with this issue and jumping the gun on this matter to respect the process and its outcome, as I have just outlined set consistent increases in minimum wage rate over the past decade.

Moreover, Mr. Speaker, Sir, as outlined as per our benchmark survey, more than 96 percent are paid above minimum wages because the employers see fit and can pay these rates.

Mr. Speaker, Sir, this Government strongly believes in consultation and cooperation. It is unfortunate to note the worker's representatives did not attend the public consultation to provide a voice for the workers in Fiji which they preach they represent.

HON. GOVERNMENT MEMBERS.- Very poor!

HON. P.K. BALA.- In addition to the above, Mr. Speaker, Sir, unions again fail to attend the formal tripartite board meetings last year. This is indeed very sad for the workers and totally (I must add "totally") puts to rest the Opposition's claims that this Government is not consultative. Come to the table, talk, consult, dialogue, *talanoa* - that is why you are union representatives. Do not play politics and hide from the tripartite forums and then claim that you were not part of the process. Come to the table and have discussions in good faith, not in bad faith in finding a way forward that is best for the workers and employers in Fiji.

HON. GOVERNMENT MEMBERS.- *Vinaka*. Tell them.

HON. P.K. BALA.- Mr. Speaker, Sir, the people of Fiji and in particular the workers need to know what their Trade Unionists are claiming and the truth of their lack of commitment therefore this absence from the tripartite forum. But, today I would like to renew my call, Mr. Speaker, Sir, and I invite the union leaders to come and attend the ERAB meetings.

Mr. Speaker, Sir, at this point let me repeat an earlier appoint and thank all employers who are paying their workers above the National Minimum Wage as it gives confidence to our national economy.

Mr. Speaker, Sir, at the same time, for those employers who do not comply, my Ministry is empowered by the Employment Relations Act 2007 to conduct pro-active labour inspection advising employers and workers on the provision of the minimum terms and conditions of employment.

Currently, around 80 percent of the workforce in Fiji are non-unionised and are not covered under any collective agreement. As such, these minimum terms and conditions enforced by the Ministry are applicable to these workers for payment of their dues by their respective employers.

Mr. Speaker, Sir, my Ministry conducts proactive labour inspection to employers and workers in ensuring that the terms and conditions are in compliance by each employer, including the enforcement of the 10 Wages Regulations and the National Minimum Wage applicable to the informal sector.

Mr. Speaker, Sir, the Ministry through proactive Labour Inspection and Compliance Investigation has from 1st March, 2014 till 31st January, 2020 conducted a total of 5,534 inspections in the National Minimum Wage sector.

Mr. Speaker, Sir, the overall recoveries of wages from the 10 Sectoral Minimum Wages and National Minimum Wage from 2014 till January 2020 stands at over \$8 million which has been paid out to the workers by the Ministry to ensure that they are given just and fair minimum wage entitlements.

Mr. Speaker, Sir, unfortunately these figures reflect badly on some of our Small to Medium Enterprises (SMEs) in these sectors, as well as some big business players.

They are not meeting the minimum wage order entitlements or other aspects of the Employment Relations Act. The people of Fiji can be rest-assured, Mr. Speaker, Sir, that all such breaches, no matter how small or big shall be taken to task. We have a zero-tolerance policy towards this and we shall continue to ensure that every Fijian worker is paid every single cent she or he is entitled to.

Mr. Speaker, Sir, the National Minimum Wage is an integral part of my Ministry's compliance and enforcement programme that will ensure that we reach out to all Fijian workers in our search for better wages, conditions and better employment relations to both employers and the workers. This will ensure that we maintain a protective and balanced workforce to contribute to the growth and development of the respective industries and our nation as a whole.

Mr. Speaker, Sir, we will continue to consult our Fijians in the area of National Minimum Wages together with the sectoral base minimum wages to ensure that we have a balanced and practical approach in setting up the National Minimum Wage.

Mr. Speaker, Sir, it is the effort and profound vision of this Government that has given the workers their rights in getting just and fair wages. We will continue to do so in a just and systematic manner to ensure that minimum wage is provided for all Fijians.

Moving forward, Mr. Speaker, Sir, as we grow our economy and increase productivity, we will have a fair share to utilise and increase our minimum wage and indeed the market wage rate for all Fijians.

Mr. Speaker, Sir, I thank this august House for your patience and attention to my contribution. I feel very comfortable today, the environment is very good and thank you, *vinaka*.



HON. SPEAKER.- I thank the Honourable Minister for his Statement.

Honourable Members, as the Leader of the Opposition and the Leader of the National Federation Party or their designates are not here, we will move on to the next Agenda item.

### **CONSIDERATION OF BILLS**

HON. SPEAKER.- Honourable Members, I have been advised that there are no Bills for consideration today.

### **REVIEW REPORT ON THE FIJI DEVELOPMENT BANK (FDB) 2017 ANNUAL REPORT**

HON. SPEAKER.- I now call upon the Chairperson of the Standing Committee on Economic Affairs, the Honourable Vijay Nath to move his motion. You have the floor, Sir.

HON. V. NATH.- Thank you, Honourable Speaker, Sir. I move:

That the Parliament debates the Fiji Development Bank 2017 Annual Report which was tabled on 1<sup>st</sup> April, 2019.

HON. V.K. BHATNAGAR.- Mr. Speaker, Sir, I second the motion.

HON. SPEAKER.- I now invite the Chairperson of the Standing Committee on Economic Affairs to speak on the motion. You have the floor, Sir.

HON. V. NATH.- Mr. Speaker, Sir, I wish to move a motion on the Fiji Development Bank 2017 Annual Report which was tabled in Parliament on 1st April, 2019.

At the outset, most of us in this august House would agree that FDB has played its active role in providing financial assistance towards projects that have promoted developments as well as better quality of life for all Fijians.

Mr. Speaker, Sir, please, allow me to reiterate some of the findings of the Committee while deliberating on the Report:

- 1) The Bank plays core focus on agriculture, commerce and industry;
- 2) The effect of revitalising of the beef farm industry was acknowledged by the Committee and recommended for more schemes;
- 3) Recognise the role FDB plays towards achieving the Sustainable Development Goal (SDG), in particular SDG 7 which was on affordable and clean energy. This was through the Bank's Sustainable Energy Financial Facilities (SEFF) introduced with the aim of scaling up renewable energy investment in Fiji in order to encourage farmers and business to adopt green technology to reduce reliance on fossil fuel; and
- 4) The Committee noted that the Bank performed considerably well in 2017 with a record net profit of \$8.15 million, an increase of 11.63 percent in 2016.

Having considered these findings, Mr. Speaker, Sir, the Committee noted the following recommendations:

1. It is imperative that FDB engages in aggressive marketing to raise awareness of its other product offerings;
2. To change the perception of people that the FDB loan process is too long, the Committee recommends for an automated system to improve the turnaround time;
3. Special loans scheme aimed at first-time small borrowers to be reintroduced; and finally
4. Given the high risk of development banking, the Committee recommends that sufficient provision is always allowed for bad debts;

To conclude, the FDB has proven itself in contributing towards Fiji's economic development and should be given all the support it deserves. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Assistant Minister. Honourable Members, the floor is now open for debate on this motion. Honourable Minister Usamate, you have the floor.

HON. J. USAMATE.- Thank you, Mr. Speaker, Sir. I would like to, first of all, commend the Committee for the work that they have done on this Report. It is a very succinct Report and, I think, it captures the essence of what the FDB has been undertaking.

I will not be speaking on the recommendations, in particular, but on just one particular issue and that is to recognise and appreciate the effort that the FDB undertook in terms of trying to assist the development of affordable clean energy. This is something that is highlighted in the "Foreword" and also highlighted in Section 4.9 of the Report. I am talking in particular about the Sustainable Energy Financing Facility that was implemented through the FDB as part of the Sustainable Energy Financing Project (SEFP) which was undertaken by the World Bank together with the Department of Energy in my Ministry.

In Fiji, at the moment, we have a number of targets in relation to greenhouse gas emission, also in relation to energy access and in relation to trying to convert the use of fossil fuel-based energy, more towards renewable energy.

For electricity access, the target is for 100 percent of people in Fiji to have access to electricity by the Year 2021 and for renewable energy, the target is to have 100 percent of all energy in Fiji coming from renewable sources. The development of the SEFP within FDB allowed under this project which guaranteed half of each loan was provided for by the banks for the financing of renewable energy technologies using the private sector in Fiji, and the objective of the programme was to increase the adoption and use of renewable energy technologies and the more efficient use of energy through a package of incentives to encourage local financial institutions.

So, what the FDB has done is really trying to get the private sector involved in this activity of moving away from fossil fuel-based energy and more into renewable energies. As I said before, our overall target in Fiji is to reduce carbon emissions by 30 percent by the Year 2030 and in order to achieve this target, we have to do two things: One, 20 percent of that 30 percent reduction will be done by moving from fossil fuel to renewable energy; the other 10 percent will be by being more efficient in the way that we use energy, for instance in changing the kind of lights that we use to the ones that use less energy.

It is important to note that the programme that was undertaken in the FDB is part of the project that was done across the Pacific but the one that was done in Fiji was the most successful of them all. The project worked well in Fiji compared to what happened in other countries and this is because of the partnership with the FDB.

The operation of this Project in Fiji has been used to assist all of the other countries, and as a result of the success of the SEFP and the work that has been undertaken by the FDB, the World Bank has made the

preparations to re-launch this programme as a regional one managed by Fiji and initially to include Vanuatu, therefore I think there is further development we have to recognise the effort that FDB put in place.

Under this sustainable energy financing project, there were a total of 43 loans that were provided to nine different suppliers and from this total, FDB provided 10 loans to five different suppliers. So we applaud FDB for the work that it has done, it has been an exemplar in the execution of this programme and this is leading to more work being done under the sustainable energy financing project.

I notice also from Paragraph 4 that despite the expiry of the arrangement with the World Bank, the Bank still continues to progress private sector-led infrastructure development that supports clean and affordable energy, and as I had pointed out, this is our major target. Our Prime Minister is the champion for climate change activities, reduction of Green House Gas Emissions so we applaud the work of the FDB that is bringing the private sector to become also involved in reducing Green House Gas Emissions by moving away from fossil-based energy to one that is more renewable. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Minister. Honourable Minister for Forests, you have the floor.

HON. O. NAIQAMU.- Honourable Speaker, Sir, I rise to support the Fiji Development Bank 2017 Annual Report which was tabled on 1<sup>st</sup> April, 2019, in particular, for achieving a major milestone in being granted a Green Climate Fund (GCF) direct national accreditation in November, 2018. This makes FDB the first development bank in the South Pacific to be accredited and have actions to GCF adaptation and mitigation funds for disbursement in Fiji and paves the way for possible expansion in the region.

Indeed climate change is real and no one can escape it, especially for us here in the Pacific Region as it periodically has severe implication for the Fijian economy. The FDB greatly assisted its customers affected by natural disasters in mitigating their losses and rebuilding and in doing so, FDB was one of the first financial institutions that came on board to support the Ministry of Forests on the “4 million trees in four years” initiative after it was launched in January, 2019. Together with the iTaukei Affairs Board, we launched our first tree planting partnership at Silana Village in Tailevu in February, 2019. We also launched similar projects at Vatutu Village in Nadi for the Western Division and Dogoru Village in the Northern Division.

Honourable Speaker, Sir, FDB has adopted the three villages, namely Silana, Vatutu and Dogoru and have continued to support and assist villagers in mitigating against climate change.

Honourable Speaker, Sir, Fiji is now on a renewed national drive to plant more trees - 30 million trees in 15 years starting this year. We hope to replicate the partnership with FDB with other organisations and communities which undoubtedly will enable Fiji to achieve our goal of planting 30 million trees in 15 years, and therefore I support the FDB’s 2017 Annual Report before the House. Thank you, Honourable Speaker.

HON. SPEAKER.- I thank the Honourable Minister for Forests. Honourable Minister Dr. Reddy, you have the floor.

HON. DR. M. REDDY.- Mr. Speaker, I commend the bank for a sterling work. Mr. Speaker, Sir, the Bank was established in 1967, at that time, the primary objective of the Bank was to lend to the Agriculture sector and contribute to the country’s development via agriculture growth development.

Mr. Speaker, Sir, since then, FDB has been a major lender to the agricultural sector and therefore has contributed to the country’s growth and development via the agriculture sector.

Mr. Speaker, Sir, whenever a borrower goes to a financial institution, one of the main information that the borrower would want to find about that particular package or the product of the Bank is the cost of borrowing and the key cost component of borrowing is interest rates. FDB has always been mindful in terms of ensuring that they provide a package - assistance which is affordable to the people.

Mr. Speaker, Sir, I must say that the FDB's interest rates have always been affordable, now through Reserve Bank of Fiji, their interest rates are being subsidised.

Mr. Speaker, Sir, as the Minister responsible for Agriculture, I had held discussions with the Board Chairman about re-looking at the existing package to ensure that we really continue to serve the purpose in terms of assisting the agriculture sector and the farmers, particularly, when we now have one of the key strategic pillars of promoting commercial agriculture. One of the key binding constraints in getting into commercial agriculture is financial support.

Mr. Speaker, Sir, as you know, Fiji is a small market and if you expose the vulnerable farmers who want to get into a small semi-subsistence production system into commercial production, they would be at the helms, at the mercy of the oligopoly market in the financial sector.

If we remove FDB, then if you look at the commercial banking sector, there are two key major players, which are the Westpac Banking Corporation and ANZ.

If you read carefully the last Financial Sector Review Report, without using the word "oligopoly market", the Report basically said that there is *prima facie* evidence of an oligopoly market in the financial sector, and you cannot really put our farmers into that particular market where basically the primary objective of commercially operating financial sector or financial bank is to get maximum returns.

What is the income source of a bank? Basically interest rate - that is the primary income source of a bank - its interest rates, the margin of deposit rates, the difference between the deposit rates and the lending rates.

Mr. Speaker, Sir, Government has really re-vent the FDB and we now see that the Bank achieved a record profit of \$8.15 million, an increase of 11.63 percent compared to 2016, so the Bank is in good shape under good leadership and we have a lot of confidence in the Bank achieving us - the Ministry of Agriculture, in delivering one of the most key strategic objective of promoting commercial agriculture.

My two other colleagues spoke very well eloquently about the Bank's sustainable energy financing facilities. I do not want to talk about that, but given the other portfolio I hold, that is a very important aspect in terms of supporting our environment drive, and the Honourable Prime Minister is the champion of the climate change and its impact on small island economies.

Mr. Speaker, Sir, I commend the Report and I look forward to working with the Bank and its leaders in terms of looking at how we can fine-tune a little bit the new package that was launched last year. I do hope that that will really unblock the binding constraint with respect to borrowing in the financial sector. Thank you.

HON. SPEAKER.- I thank the Honourable Member. Honourable Premila Kumar, you have the floor.

HON. P.D. KUMAR.- Thank you, Mr. Speaker, Sir. I also commend the recommendations made by the Committee on the Fiji Development Bank's 2017 Annual Report. FDB's contribution, as we heard from the Honourable Ministers towards economic activity for sustainable livelihoods for Fijians, is enormous. They

not only help in agriculture as we have heard green energy, but they also help MSMEs. They help commercial activities, transport sector, tourism sector, et cetera.

Mr. Speaker, Sir, I would like to elaborate on the key issue raised in the Report. This is in regards to the amount of time it takes for FDB to process and approve loans, compared to other players in the banking sector. I understand why FDB takes a little bit more time in processing some of these applications because the applications received by FDB are those applications where people really do not have collaterals and the Bank has to assess these applications from the risk perspective, but it is good to hear that Fiji Development Bank (FDB) is undertaking the process re-engineering to introduce automation that will reduce the time taken for loans to be approved. My Ministry commends the initiative by FDB in pulling its resources to improve the ease of doing business in Fiji.

Mr. Speaker, Sir, by streamlining and automating the process at FDB, micro-small and medium businesses would be able to borrow quickly and invest in the productive areas which will overall benefit Fiji. This reflects one of the Ministry's strategic priorities, and that is to improve investment and business climate and ease of doing business which is reflected in the National Development Plans as well as the Ministry's Fijian Trade Policy Framework.

Mr. Speaker, Sir, the Ministry also commends FDB's initiative in playing a vital part in revitalising the beef industry of Fiji. Through their Lending Schemes, 25 beef farmers in Nadroga under the Tilivalevu Beef Scheme were assisted. There are many other co-operatives around the country who receive assistance from FDB. My Ministry provides the SEED Funding but it is FDB that assists Medium, Small and Micro Enterprises to expand their business. I must say that FDB keeps its promise of "your partner in progress" by lending in areas where traditional lenders would hesitate to take that risk as we have heard from Honourable Dr. Reddy.

The FDB complements the work of my Ministry in programmes such as the National Export Strategy (NES), Young Entrepreneurship Scheme (YES) Programme, Micro and Small Business Grant (MSBG) by supporting these businesses particularly in their growth and development.

Mr. Speaker, Sir, to sum up, I support the recommendations made by the Committee. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Minister and I call on the Prime Minister. You have the floor, Sir.

HON. J.V. BAINIMARAMA.- Thank you, Mr. Speaker. Mr. Speaker, I rise to speak on the motion by Honourable Vijay Nath. I first must convey my appreciation to the Members of the Standing Committee on Economic Affairs in their deliberation of the Fiji Development Bank's Annual Report 2017. The same also goes to the staff of the Fiji Development Bank for the progresses they have made by FDB thus far and specifically achievements mentioned in the 2017 Annual Report.

As we all know, Mr. Speaker, FDB is the biggest lender for agricultural development and is one of our key players in economic development, thus investment initiatives are commended as they benefit and ultimately improve the socio-economic status of ordinary Fijians.

Mr. Speaker, not only is the FDB focusing on the agriculture sector alone with 47.05 percent market share of overall business, but now it is a prominent contributor to other key economic sectors such as building and construction, manufacturing, transport, communication and storage, other professional business services and it is surely gaining market share in Fiji's tourism and infrastructure development industries.

Mr. Speaker, a contribution to other key economic non-agriculture sectors have been made possible and supplemented with the increase in a new number of innovative financial products and services packages for our micro, small to large commercial businesses.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. J.V. BAINIMARAMA.- I urge all Fijians to explore the 11 non-agriculture sector-based products that are now available for their businesses. In terms of the Bank's clientele, Mr. Speaker, this has grown over the years with 1,251 loans approved valued at \$87.79 million in agriculture, in manufacturing, small, medium enterprise, transport, communication and storage sectors.

Mr. Speaker, FDB plays an important role towards the achievement of the SDG goals through their Sustainable Energy Financing Facility (SEFF) thus facilitating and encouraging farmers and businesses to adopt green technology and reduce reliance on fossil fuel.

Mr. Speaker, in addition to the SEFF initiative, FDB made history by being the first Development Bank in the region to become an accredited direct national access entity by the Green Climate Fund (GCF) on the application of Adaptation and Mitigation Funds. This is also, Mr. Speaker, a part of Fiji's contribution towards Goal 13 of the SDGs.

Mr. Speaker, Sir, we welcome the progress and the initiatives made by the FDB in 2017 as it continues to raise the standard of its service and ensuring its competitiveness. The FDB is here for all Fijians and will continue to deliver its mandated function to meet Fiji's development needs and based on these remarks, Mr. Speaker, I therefore support the Report, *vinaka*.

HON. SPEAKER.- I thank the Honourable Prime Minister. I give the floor to the Honourable Attorney-General.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. Mr. Speaker, Sir, I just want to make a couple of brief remarks in respect of some of the recommendations made by the Committee. There is a recommendation by the Committee - Recommendation No. 7 that says, and I quote:

“Given the high risk with development banking, the Committee recommends that sufficient provision is always made for bad debts and for this to be reflected in the Annual Report.”

Mr. Speaker, Sir, FDB previously had a history for writing-off a number of debts and in fact many of those debts were written off of people who really did not deserve to have those debts written off.

We know the issues regarding Equity Investment Management Company Limited (EIMCOL) and various other private individuals who actually borrowed and those debts in fact were written off because perhaps they were connected or had access to various members in the political structures.

However, Mr. Speaker, Sir, we are happy to note that FDB in recent times has not been doing that. There are bad debts, yes, of course, but given the various assistance as highlighted by the Honourable Prime Minister, the Minister for Industry and Trade and Minister for Agriculture that those risks actually can be a lot better managed. It is not simply a question of “because it is a Development Bank, we lend money and therefore let us write it off just because someone cannot pay. The risk needs to be assessed right from the beginning, with the hand holding and the input by the various Ministries actually can ensure that debts actually do not get written-off and indeed debts get paid and they become very strong customers of the Bank itself.

Mr. Speaker, Sir, the other point I would like to raise that the Committee also noted about the placing of term deposits with FDB. The FDB recently has been marketing what they call the “Yaubula Term Deposit” which essentially is saying that if you deposit or have a term deposit with FDB or invest in the development of Fiji and that is getting a bit of traction for us, Mr. Speaker, Sir, too.

We have provided some number of fiscal incentives in terms of the bonds that people do buy with FDB and later on today we will be presenting the Government guarantee that is required for FDB to function.

Mr. Speaker, Sir, in respect of the partnership as mentioned by the Honourable Prime Minister and the other Ministers regarding the energy sector, clean energy, in Ovalau, through the GCF relationship we have, the Bank has submitted its first concept note to access climate financing from the GCF for Fiji’s first Agrophotovoltaics Project to be developed in the old capital, Ovalau. This, essentially, Mr. Speaker, Sir, involves having solar panels on top which are used for energy purposes. As we know that today Ovalau is completely dependent on fossil fuel. So, having large areas of solar panels we then not only provide renewable energy but clean energy but also at the same time, Mr. Speaker, Sir, we will be able to plant agricultural produce below the panels. The Honourable Minister for Defence was also mentioning this a few years ago of the relationship they had with the island, the EFL is now talking to them. We expect that in Ovalau where they will be planting *dalo*, lettuce, tomatoes, capsicum and indeed various other products. So, it is better utilisation of land, it is not just solar panels but solar panels on top and agricultural produce at the bottom.

We look forward to this Project coming through, Mr. Speaker, Sir, and a number of organisations have indeed put up their hands to participate in it, including the Koreans and various other countries to give actual credence to this particular Project.

Mr. Speaker, Sir, in respect of FDB’s balance sheet, as we know the balance sheet is looking very good and strong. I would like to thank the Board in particular for the foresight that they have displayed. As also highlighted as part of the digital roll-out, we are looking at various re-engineering processes in respect of the loan processing and various other administrative processes within FDB itself to make sure and to ensure that the customers of FDB get a quicker turnaround time.

Mr. Speaker, Sir, I think the reality also as the Committee also mentioned about the exposure to 15 borrowers where the portfolio stands at about 22.2 percent of total lending or \$97 million.

Mr. Speaker, Sir, like most development banks, we sometimes lend to the private sector at a high interest rate to subsidise the lower interest rate that you charge to farmers, for example. So in this particular case, you have companies like some island resorts, et cetera, that have borrowed money from FDB and the interest rates can go up as high as 12 percent and when they lend at 12 percent, it gives that breathing space for FDB to be able to charge the farmer at 4 percent or even lower perhaps.

That is how we have the cost subsidisation, so sometimes people do question and say, for example, “Why is FDB lending to the private sector; why are they perhaps lending to some large company?” They have to ensure that there is a balance in the portfolio but also they have to understand that when they lend to these companies, they can charge a high interest rate, which then is used to subsidise the development projects that we have and, of course, agriculture is one of those.

In terms of the way forward, Mr. Speaker, Sir, as a last comment, development banks, of course, also cannot be static. What is a development priority for a country thirty or forty years ago would be different further down the track. Of course, agriculture is still part of the development agenda but we have areas such as ITC, as we now see that clean energy, renewable energy were not part of the FDB portfolio even 20 years ago.

Today, it is an important part of that, so we have to be cognisant of the fact that as a development bank, it needs to continuously be able to be responsive to the development needs of the country as we progress. I would like to thank the Committee for the recommendations. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Attorney-General, I give the floor to the Honourable Veena Bhatnagar. You have the floor.

HON. V.K. BHATNAGAR.- Thank you, Mr. Speaker, Sir. I just rise to make a very short contribution to the motion on the floor from a gender perspective.

The FDB is a developing financing institution recognised as the link between gender equality and economic empowerment. This was seen in their move to appoint the first ever woman in an executive management role in 2017. The FDB has over the years taken ambitious and bold steps to promote a conducive environment that promotes gender equality.

Mr. Speaker, Sir, FDB continues their stance to promote women empowerment and the creation of a special category at the FDB SME Awards for the Women Entrepreneur of the Year. This fortifies the commitment and passion FDB possesses as an institution for the development and empowerment of Fijian women.

Mr. Speaker, Sir, Ms. Sekiguchi, the recipient of this Award in 2018 who found the Greenhouse Studio, a multi-disciplinary creative designed communication studio is a testimony of how FDB harbours growth of innovation and creativity, giving platforms for new choice of business which were not possible before. The Greenhouse Studio works on the mantra, “we aspire change.” Something our Opposition Members should learn from, Mr. Speaker, Sir, as they are very stubborn and pragmatic towards change. I hope the Members on the other side of the House know progress is impossible without change, so change your attitude, you just might become more progressive in your thoughts. This is a message I convey to the Opposition Members.

Mr. Speaker, Sir, FDB sets precedents for other institutions as they place gender equality at the forefront of their endeavours. Fiji Development Bank, in conjunction with the Green Climate Fund, created the gender equity and social inclusion policy and action plan which not only reinforces Government’s priority to promote gender equality and social inclusion but also concurs with the FDB’s strategic plan objective of reducing the gender gap.

Mr. Speaker, Sir, the FDB’s efforts to mainstream women empowerment is saluted and very much appreciated by hundreds of women who have become pillars in our economy through the support and backing provided by the FDB.

During my recent visit to the FDB with the Standing Committee Team, we noted that the FDB is committed to developing loan programmes specifically targeted for women entrepreneurs and this notion is very much welcomed and again, aimed to economically empower our women.

Mr. Speaker, Sir, the Committee also noted that the FDB fulfils its corporate social responsibilities, “Responsibilities”, a word that the Opposition Members might not be able to resonate, given their irresponsible behaviour prevalent in this House. The FDB continues to administer financial literacy programmes with secondary schools across the nation through the Money Smart Programme which is a compulsory part of the commercial studies subject in the junior, high forms.



Furthermore, the institution encourages environmental developments through scholarship programmes and the FDB – Fiji's very own, I congratulate the team for their progress and achievements. Thank you, Sir.

HON. SPEAKER.- I thank the Honourable Assistant Minister. You have the floor, Honourable Minister.

HON. LT. COL. I.B. SERUIRATU.- Thank you, Mr. Speaker, Sir. I would like to contribute as well on the Report that we have before us and I thank you for being given this opportunity.

Mr. Speaker, Sir, Members from the Government side have focused on areas highlighted in the Report and I opt not to do that but perhaps to talk on the opportunities that Fiji has now once the FDB has been accredited as one of the financial institutes under the Global Climate Fund (GCF). I speak in my capacity as the former global climate champion and particularly in global climate action as I usually refer to, Mr. Speaker, Sir, it is not only about mitigation. We need a lot of mitigation because mitigation now is good for all of us and particularly in the future because more mitigation means lesser adaptation in years to come.

The Honourable Prime Minister has just recently commissioned the facility in Nabua where we have the regional Nationally-Determined Contributions (NDC) hub because that is important for Fiji and, of course, it is important for the region as well.

Being small emitters, we are showing the world that we also take our responsibility seriously in contributing towards reducing global warming and, of course, our commitments through our NDCs. Why do I need to talk about this, Mr. Speaker, Sir? It is because unfortunately the Opposition is not here this morning, but they are the very ones that criticise the Government and particularly, the Honourable Prime Minister for the so many trips made overseas, particularly during Fiji's term as President of Conference of Parties (COP) 23. But it is about the strategic direction, not only for Fiji but the region most importantly and, of course, globally as well because Climate Change is the biggest threat that we all face, and if the current trend continues, God knows what will happen to all of us and they keep criticising but this is just one of the many benefits that come through our participation.

I have always talked about multilateralism and why it is so important to Fiji. We do not have much to influence, the reason and the work but, of course, we need to be relevant and this is what these engagements are, particularly at the global level, the benefits that they bring to the country.

Mr. Speaker, Sir, let me focus again on the climate aspect of it and the benefits. Financially, Mr. Speaker, Sir, being an accredited institute under the GCF, we badly need foreign dollars into the country. So this is going to attract foreign currency into the country which is good for Fiji. Secondly, Mr. Speaker, it is going to create more employment opportunities for the Bank itself and that is what we want, only a few of the opportunities that it presents to Fiji being an accredited institute under GCF.

Mr. Speaker, Sir, Fiji has already drafted its Food and Nutrition Security policy in close association with FAO in Rome and, of course, all the other key agencies as well and hopefully this will be tabled in Cabinet and, of course, we look forward to the implementation of that. Now, as the Honourable Minister for Economy has stated, we are moving into agrophotovoltaics technology.

Mr. Speaker, Sir, it is in my computer and probably together now with the Ministry of Economy where we have our climate change office and, of course, with the Minister for Agriculture, the Minister for Fisheries as well, this is a new trend.

The International Renewable Energy Agency (IREA), that is based in Abu Dhabi they are the focal point and they work very closely with the climate champions and the global climate action group in bringing in these new technologies so that we do not deny the fact that we need to feed our people. It is not only about feeding our people but, of course, giving them the right nutrition as well and this is very, very important for Fiji.

Agriculture, which involves forestry, fisheries, livestock and crops and with that, the new technology is not only on agriculture now, Mr. Speaker, Sir, to the Ministry of Fisheries, also panels on top, they are doing agriculture beneath these panels likewise for agriculture.

Mr. Speaker, Sir, we were following on these new technologies and now we are thankful that through this accreditation, this is going to be again, as I have stated, Mr. Speaker, Sir, of course we want to know how to reduce global warming but no one is going to deny the fact that people still need to be fed and for us to do that, we need to go environment-friendly and energy-friendly technologies, and this is one of the technologies that we should pursue and again these are new opportunities for every Fijian, particularly for the farmers who are listening and, of course, the fishermen as well. We will not continue with our wild harvest particularly but we need to go with technology and this technology are already presented to us.

Honourable Speaker, of course, I would encourage all Fijians to make the most of this opportunity, finances are available and, of course, the technology is there to assist us to produce but be mindful of the implications on the environment because for sustainable growth and for us to achieve the Sustainable Development Goals, we do not have much option but we still need to feed our people but go with the right technologies so that we can, as a country, be able to provide the basic necessities for our people. So, future opportunities there, Mr. Speaker, Sir, and I thank and congratulate FDB for this milestone achievement and, of course, I fully support the Report that we have before the House. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Minister. I now give the floor to the Chairperson of the Standing Committee on Economic Affairs for his right of reply. You have the floor, Sir.

HON. V. NATH.- Thank you, Honourable Speaker, Sir. I thank all the Honourable Members for their contributions and I have noted a few of the suggestions, very well said and No. 7 was very well picked by the Honourable Attorney-General and we are optimistic to make a better recommendation.

Thank you, Honourable Inia Seruiratu, for passing the message loud and clear, this is what we have recommended to FDB that their products should be advertised often and I join the Honourable Prime Minister in thanking the entire team of FDB for their good work. Thank you, Sir.

HON. SPEAKER.- I thank the Chairperson. Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

HON. SPEAKER.- We move on. I now call upon the Chairperson of the Standing Committee on Justice, Law and Human Rights, the Honourable Alvick Maharaj, to move his motion. You have the floor, Sir.

**REVIEW REPORT OF THE INDEPENDENT LEGAL SERVICES COMMISSION (ILSC)  
ANNUAL REPORT 2016**

HON. A.A. MAHARAJ.- Thank you, Honourable Speaker. I move:

That the Parliament debates the Review Report on the Independent Legal Services Commission (ILSC) Annual Report 2016, which was tabled on 3rd April, 2019.

HON. R.R. SHARMA.- Honourable Speaker, Sir, I second the motion.

HON. SPEAKER.- I now invite the Chairperson of the Standing Committee on Justice, Law and Human Rights to speak to the motion. You have the floor, Sir.

HON. A.A. MAHARAJ.- Thank you, Honourable Speaker, Sir. The Standing Committee on Justice Law and Human Rights had been referred the Independent Legal Services Commission Annual Report 2016, to review and report back to Parliament its finding. The Independent Legal Services Commission (ILSC) Annual Report was initially referred to the Committee in the last Term of Parliament and was re-instated in this Parliament with the referral as stated earlier. As Chairperson of the Committee, I took the lead role in setting the plans for the review, which include taking into consideration the great work of the previous Committee and utilising the salient information to assist in the direction of the review.

The ILSC constitutionally mandated its office the task of carrying out the function as prescribed in the Legal Practitioners Act 2009. These functions include:

- Carrying out disciplinary proceedings against a legal practitioner, law firm or agent of a legal practitioner or a law firm;
- Carrying out educative role by providing continuing legal education; and
- Publishing of the Commission's judgement and orders, formulating rules and procedures of the Commission such as issuing practice directions.

The Commission had a lapse of five years in reporting on its function and work done from 2009 to 2015. The current Commission has endeavoured to submit a consolidated report on the lapsed years and included in 2016. There were certain anomalies noted from the Report which included consents over the finances of the Commission and the lack of accountability of the responsible officers entrusted with the day-to-day running of the office. Consideration was also given to the requirement of the Standing Orders of the Parliament pertaining to the impact of gender when deliberating on the Annual Report, however, the Committee appreciated the apparent lacuna in placing the emphasis on such requirement at the time when the ILSC Annual Report was drafted and tabled in Parliament.

From the issues noted, the Committee agreed to a set of recommendations, which it believes, may cure some of the anomalies that were noted from the Report. These recommendations are as follows:

- a) A proper qualified accounting professional to be appointed to handle finances of the Commission in a timely manner;
- b) Proper accounting procedures to be followed in accordance with prescribed financial legislation and guidelines; and
- c) There should be monitoring and supervision of the day-to-day running of the Office of the Commission by a senior officer or an officer with the managerial position.

At this juncture, I would like to thank the former Members and the current Honourable Members of the Standing Committee on Justice, Law and Human Rights and the Secretariat and all other support staff for their valuable input and support. I would also like to acknowledge the Commissioner of ILSC and his Team for the commitment in supporting the Committee's work.

With these few words, Honourable Speaker, Sir, I commend the Independent Legal Services Commission Annual Report and its content to the Committee's Report, to this august House. Thank you.

HON. SPEAKER.- I thank the Chairperson of the Standing Committee on Justice, Law and Human Rights.

Honourable Members, the floor is now open for debate on this motion. Honourable Minister Sudhakar, you have the floor.

HON. A. SUDHAKAR.- Thank you very much, Mr. Speaker. Honourable Speaker, first of all I want to congratulate the Justice, Law and Human Rights Committee for coming up with a comprehensive Report on the functions of the Fiji Independent Legal Services Commission. I had the privilege, Honourable Speaker, to review some of the Reports in my time as the Chair of the same Committee and I am glad that I had the opportunity to read the reports and to have the staff present before me to give their submissions.

Honourable Speaker, the importance of the role of the Fiji Independent Legal Services Commission cannot be overstated. I, myself had been a practitioner for the past 16 years and I have during my time seen a lot of activities happening in the profession that was undesirable. In fact just yesterday I met a couple in the foyer outside who hired a lawyer somewhere in Nausori. They had an accident case where their son was injured in an accident and that lawyer apparently took the money in his Trust Account and then the money vanished and the practitioner also vanished from Fiji. So, these are some of the cases that were happening and the Fiji Independent Legal Services Commission should be commended for bringing some order back to the noble profession.

I have had encountered several cases under the previous system where a practitioner who would be guilty of malpractice or misconduct, they would walk scot-free because the older system had a group of colleagues or group of other lawyers dealing with the case. So you would have a situation where under the former Fiji Law Society, lawyers would be appointed to judge another lawyer and some of the times these people were good friends. Some of the cases would lie there for 9 years, 10 years, they would never see the light of the day. With the coming in of the Fiji Independent Legal Services Commission, now it is a totally independent body, if any member of the public has any complaint against a practitioner, they are free to lodge their complaint with the Commission, they have adequate budget, they have got adequate structures within, they will deal with the complaints, they address the complaints back, they give a fair hearing to the practitioner but what I have noticed in the past few years that a lot of order has been brought back.

What used to escape or shoved under the carpet have now come out - a lot of practitioners have been charged, prosecuted, in fact some of the members in the Opposition Party who are also practitioners have felt the full brunt of the Commission. But, what that does, Honourable Speaker, is that it may seem harsh to the practitioner, but it restores the confidence of the people.

The people now, the public, in fact every Fijian can now live in their comfort that if they have hired a professional lawyer, they deserve the best service. If they have been sold-short, if they have been treated unfairly, they have now an avenue to go to the Independent Legal Services Commission. In fact in the Annual Report, we see there are a number of cases that they have dealt with, how they have applied their budget, how

they have applied their different structures to give to the people what they deserve; the confidence in the noble profession.

In my time, I have also visited the Commission several times, I deal with them on a regular basis in their offices and the staff are very friendly, very attentive, in fact they have got a lot of attention for detail. If we lodge our applications, I have seen them pick up details that we have missed. Now, these are the types of things that we need. The team itself is handled very well through the Chief Registrar, the Commissioner, the Deputy Registrar and the senior staff, the lawyers and the prosecutors.

All in all, Honourable Speaker, the functions of the Independent Legal Services Commission is well-controlled, well-managed as mentioned in the Report and it is also encompassed in the Committee's Report. Just to re-emphasise, we are in support of the motion and support of the functions of the Fiji Independent Legal Services Commission and I believe that every Fijian has got a right to live under the comfort that there is an independent body that will see that justice is delivered to you. Thank you very much, Honourable Speaker.

MR. SPEAKER.- I thank the Honourable Minister. Honourable Attorney-General, you have the floor.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. Mr. Speaker, Sir, I would like to just make a couple of comments in respect of the recommendations by the Committee on the ILSC Annual Report of 2016.

Mr. Speaker, Sir, there are recommendations in respect of the accounting procedures at the Commission itself and just to highlight that no Member of the Commission or Ministerial staff is signatory to the ILSC Accounts and indeed now the accounting of that has been outsourced and requests have been made actually to outsource it to Ernst and Young and develop a financial policy and procedure manual for the Commission itself.

Mr. Speaker, Sir, the other point of course to make is that the Committee is recommending that there be a full time Commissioner. Mr. Speaker, Sir, I would like to highlight the fact that the Commissioner actually functions or has hearings only when a matter is brought to his attention. So you do not actually have, for example, like a normal court system where you have a number of cases before it. It only arises when there is a complaint lodged with the Legal Practitioners Unit, that is, in fact managed by the Chief Registrar. Once the complaint is investigated and they believe that there is a matter that needs to be referred or a person is charged under the relevant law then the matter goes to the Commission for a hearing. So, it would be in fact a waste of resources to have a Commissioner be there full time. But the Commissioner that is appointed is always there at present when the need arises, as opposed to someone simply being appointed just to sit there and wait for cases to come on its way.

So, Mr. Speaker, Sir, I would just like the Committee to make a note of that or again there is a recommendation that says that the Commission to be adequately funded. Of course, the Committee has not said as to why there is requirement for more funding. However, it should be noted that the funding of the Commission is actually through the Trust Accounts Act which is the contribution fund that comes through that. There is a particular percentage breakdown that comes from the Trust Accounts. The Trust Accounts that solicitors keep, Mr. Speaker, Sir, those funds, the interest rates that is earned from that is actually disbursed to various accounts, including the Legal Aid Commission and also for the funding of the Independent Legal Services Commission.

Whilst the Honourable Minister for Lands has highlighted the fact the ILSC in fact has been a wonderful creation in respect of allowing members of the public who have complaints against their solicitors

or their lawyers as we call them in Fiji, we have to note, Mr. Speaker, Sir, that we still have a lot of recalcitrant lawyers who are not doing the right thing as he highlighted himself, and we would take this opportunity to urge all members of the public, please, do not hesitate to lodge a complaint with the Legal Practitioners Unit. There are a number of people who have spoken to us privately to say that lawyer XYZ took more money than was required.

In one particular instance, we had a lawyer with an overseas investor who said, “Send me \$20,000 now, I need to go and consult certain people, I need to consult landowners, *i qoliqoli* owners, I need to go and consult the municipal council, I need to go and consult the Ministry of Industry, Trade and Tourism and asking them for money to do that”. That is part and parcel of their job. But unfortunately some of them because of fear of perhaps repercussion or because some of these lawyers have threatened them, do not come forward and actually lodge those complaints. Please, urge them to lodge those complaints, it is only through a robust complaints mechanism and through people actually lodging those complaints, will we be able to set a higher standard in respect to the service delivery by lawyers.

A lot of lawyers, I should say, some lawyers still believe they have some sort of elevated position in society and they can get away with whatever they can as far as their clients are concerned. So, please, you have the rights there, you have the Independent Legal Services Commission. I recall when we actually set this up, the Independent Legal Services Commission, there were a lot of people who said that this was not a good institution, then immediately after it was set up, everyone said it was a wonderful institution because it brings the professionals into account. We hope to set up a similar independent body in respect of some of the other professionals, we have said in the past we will do that but we hope to get a multi-pronged or multi-faceted commission that, for example, can look at accountants, engineers and various other professionals where we still find a lot of shenanigans that go on *vis-à-vis* the relationship between the client and the professional.

Mr. Speaker, Sir, the Legal Practitioners Act provides the basis for this Commission and we currently have one of the Judges (Justice Goundar) who sits as a Commissioner to the Independent Legal Services Commission (ILSC) and again we like to thank all of those involved.

The Legal Practitioners Unit, Mr. Speaker, Sir, is actually funded by Government directly through the funding provided to the Judiciary. We intend to look at how we can work better with them because there are a number of matters that are still with the LPU that need attention and I would like to, of course, take this opportunity now to thank the Committee for their Report. Thank you.

HON. SPEAKER.- I thank the Honourable Attorney-General. Honourable Prime Minister, you have the floor.

HON. J.V. BAINIMARAMA.- Thank you, Mr. Speaker. Mr. Speaker, as you have heard from the Attorney-General, the Independent Legal Services Commission is an important institution and plays a central role in ensuring that the integrity and public confidence in our justice system is upheld.

I must first commend the Standing Committee on Justice, Law and Human Rights for their work in reviewing the ILSC Annual Report 2016. I also commend the work of the ILSC in putting together a Consolidated Report for the 2009-2016 period for this august House.

Mr. Speaker, my Government greatly values the independence of the justice system and will continue to support institutions that work towards achieving this goal and the ILSC ensures that Fijians are provided with the highest quality of legal service. Their role in keeping Legal Practitioners in check acts as a deterrent

from misconduct and malpractice. This service provides every ordinary Fijian the opportunity for redress in the event of a misconduct by the legal counsel.

Mr. Speaker, through the ILSC, Government ensures the dispensation of quality legal service by practitioners and promotes law and order by protecting the public from unscrupulous actions by legal officers who do not have their best interest at heart.

Mr. Speaker, Government is prioritising its resources in ensuring that every Fijian has access to justice. Through the ILSC, Government is ensuring that the legal service rendered to all Fijians is of the highest calibre regardless of whether assistance was sought. This is my Government's goal.

Mr. Speaker, the Report also highlights the measures taken by ILSC after the 2014 fire and I applaud the Commission for engaging Ernst & Young to undertake the audit. I am confident that the new measures in place will safeguard the members and staff of the ILSC and enhance the integrity of the institution.

Mr. Speaker, the Commission also supports legal education programmes for law practitioners and the recruitment of aspiring legal minds in internship programmes. These programmes, Mr. Speaker, help build capacity for the future of Fiji's legal practitioners.

Mr. Speaker, based on those remarks, I fully support the Committee's recommendations on the Report. *Vinaka.*

HON. SPEAKER.- I thank the Honourable Prime Minister for his contribution to the debate. Honourable Members, I now give the floor to the Chairperson for his Right of Reply. You have the floor, Sir.

HON. A.A. MAHARAJ.- Thank you, Sir. I appreciate all the comments from our Ministers and I have no further comments with regards to the Report. Thank you.

HON. SPEAKER.- Honourable Members, the Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

HON. SPEAKER.- Honourable Members, time moves on and on that note, we will adjourn for lunch and resume at 2.30 p.m. We adjourn for lunch.

The Parliament adjourned at 12.19 p.m.

The Parliament resumed at 2.36 p.m.

## QUESTIONS

### Protecting Waterways Using Nature-Based Solutions (Question No. 24/2020)

HON. V. PRAKASH asked the Government, upon notice:

Can the Honourable Minister for Agriculture, Rural and Maritime Development, Waterways and Environment provide an update to Parliament on what the Ministry is doing to protect our waterways using nature-based solutions?

HON. DR. M. REDDY (Minister for Agriculture, Rural and Maritime Development, Waterways and Environment).- Thank you, Mr. Speaker, Sir. I wish to thank Honourable Prakash for asking this question.

Mr. Speaker, Sir, protecting our waterways is now very critical and very high on the agenda of the Ministry of Waterways and Environment. Two years ago, when the Honourable Minister for Economy announced the establishment of this new Ministry of Waterways which later merged with the Ministry of Environment, at that particular time, it was noted that our waterways which were supposed to be the source of our livelihood were also, due to changing climate, have become a threat to some of our infrastructure, some of our communities and also agricultural land around these waterways.

Mr. Speaker, Sir, the issue with waterways including riverbank erosion, scouring and siltation of waterways have been caused by, basically, a number of activities mostly happening up at the catchment. Some 30 years ago, the volume of rainfall that we used to experience was much less than what we are experiencing now and therefore our waterways do not have the capacity to handle this volume of water that comes down to the floodplains.

Secondly, the activity that is happening now up in the catchment, for example, logging and agriculture activities did not happen at that particular point in time and therefore because of agriculture activities, top soil is being washed away to the waterways, it comes down to the flood plains and these waterways are becoming silted and therefore the capacity of discharge of the waterways is being reduced. Logging activities is resulting in offcuts being thrown in the waterways, comes down and blocks our waterways and also damages infrastructure along the waterways and therefore all this results in affecting or destabilising our riverbanks.

Mr. Speaker, Sir, for a problem caused by nature; a lasting solution to that would be a nature-based solution itself and that is what the Ministry of Waterways and Environment is looking at now.

Mr. Speaker, Sir, the Vetiver Grass Technology, a well-established, well researched and well-practised technology throughout the world, is what the Ministry of Waterways and Environment is implementing.

Mr. Speaker, Sir, the Vetiver Grass has distinctive morphological, physiological and ecological characteristics. It is quite hardy, very tolerant, its rooting system is quite deep, it can have roots going down up to 10 meters and its netting rooting structure binds and holds the soil very firmly.

Mr. Speaker, Sir, we have undertaken a number of projects to protect the waterways around Fiji. The following projects have been completed through the Ministry:-



- Navaivotu Village in Wainibuka - we covered 600 meters of the riverbank, protected and secured it;
- Nakauvadra Riverbank Stabilisation Programme, Rakiraki - we planted 6 kilometres of vetiver grass alongside the riverbank. Cleaning up that river was worth of \$1.3 million of work which has resulted in basically freeing Rakiraki Town from any flooding.

You must have heard, Mr. Speaker, Sir, that Rakiraki Town was submerged in water for a number of years in the past, and the year before last Government provided a budget of \$1.3 million to clean up Nakauvadra River and therefore it stopped the town from flooding which was a major relief to the urban dwellers there.

Mr. Speaker, Sir, we did not stop there we went ahead and also secured the banks through vetiver grass technology. We have also done Vunibau Riverbank Protection in Navua - 250 meters with vetiver grass technology.

Mr. Speaker, Sir, this work was noticed by donor agencies after our Ministry submitted a proposal to the Government of the Republic of Korea, where we were able to secure US\$200,000 to expand this particular project. Under this project, we proposed to undertake the protection of 42 villages and establish three nurseries for vetiver grass; one in the Western Division, one in the Northern Division and one in the Central Division. Under this project, we have completed:-

- 250 meters of vetiver grass establishment, in Namoka Village to protect the particular village;
- Wailagi settlement with 250 meters of vetiver grass technology;
- Tobu Village with 250 meters of vetiver grass technology; and
- Malabe Village with 250 metres of vetiver technology.

Four other sites have been identified for completion this month. We want to complete this US\$200,000 project where we would be establishing mostly nurseries for vetiver grass, from where members of the community who may want to do any vetiver grass project at their home, or they want to protect their compound, et cetera, they will be able to take vetiver grass free from these nurseries that we will establish.

Honourable Speaker, Sir, also out of the Ridge to Reef (R2R) project, we completed two sites Vunimoli Village in Labasa near Korotari (where the Honourable Prime Minister opened the bridge recently) with 1,160 meters of vetiver grass riverbank protection; and Navakarua Village where we have completed 1,195 meters of vetiver grass, and there are a few other catchments where rivers, waterways we will protect under this R2R project.

Mr. Speaker, Sir, I am glad to inform you that the Ministry of Waterways will also be holding two to three days' workshops in Suva and the Western Division to invite members of the public who would be interested in using this technology to protect their infrastructure, their arable land from being threatened by climate change. We are being supported by Vetiver Network International who will be sending us experts to assist in conducting this workshop. Thank you, Honourable Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Minister. Honourable Members we will move on to the second Oral Question for today and I give the floor to the Honourable Jale Sigarara to ask Question No. 26/2020.

Housing Authority Reforms  
(Question No. 26/2020)

HON. J. SIGARARA asked the Government, upon notice:

Can the Minister for Industry, Trade, Tourism, Local Government, Housing and Community Development update Parliament on the reforms that have come about within the Housing Authority and what initiatives are there to improve the housing affordability to different income households?

HON. P.D. KUMAR (Minister for Industry, Trade, Tourism, Local Government, Housing and Community Development).- I thank the Honourable Member for the question. Mr. Speaker, Sir, Housing Authority is a statutory body that continues to improve the lives of our people by developing land and providing loans so that people can buy the land and build their dream homes.

There are a number of reforms that have been undertaken just to bring about efficiency within the Housing Authority, so that they can develop plots quickly, focus more on customer services and also assist relatives who live abroad and want to make contributions towards the payment of the loan that the family may have in Fiji. So in that regard, in terms of reforms, the first reform that is taking place is the merger of Public Rental Board (PRB) with Housing Authority, and this merger was decided long ago and it is mentioned in the National Housing Policy, that PRB should be merged with Housing Authority, because if that is done, it is going to bring about more efficiency. Firstly, the cost will come down; secondly, certain activities which are being undertaken by PRB are also undertaken by Housing Authority so merging the two would mean a huge reduction in the overhead costs. Again, there will be a better planning towards investment on how they should invest. As it is, PRB is not on its own feet when it comes to developing the rental houses - they depend on Housing Authority for land.

The second area of reform is digitising Housing Authority. In other words, we want to use the digital platform to become more efficient in the service delivery. What we have seen is that when people put in their applications, it gets lost within the system because there is no proper tracking system. So by having an automated system, customers can track their applications and can pay online and, as I said earlier, they can check their balance, and their families living abroad who want to help their relatives, they can also pay online.

The third area of reform is in the manner which the Housing Authority is managing capital development projects. What we have seen is that, when Housing Authority is developing a sub-division, they put in roads, structure for electricity and water, but the major concern is the road. They are not able to meet the FRA standard and it simply means that that particular road will not be taken by FRA, and Housing Authority is not in the business of fixing or maintaining roads because that is the work of the Fiji Roads Authority (FRA). So, in terms of reform, from now onwards when the subdivision is being undertaken, Housing Authority of Fiji is going to contract FRA to build the road to their standard so that once the road is completed, it can go into the FRA asset for continuous improvement and management of that road.

In addition to this, Mr. Speaker, Sir, MOUs have been signed with FNPF and Fiji Revenue and Customs Services to strengthen their due diligence process where Housing Authority of Fiji can share customer information and can check with FNPF and Fiji Revenue and Customs Services to ensure that whatever they disclose on the form is correct. Recently, you may have heard, Mr. Speaker, Sir, that the Housing Authority of Fiji is taking a few people to court because they lied and they did obtain a plot by disclosing wrong information. So, by signing this MOU it simply means that the fraud component will be under control.

Regarding affordability, Housing Authority of Fiji recently launched new home packages. This home package was launched in November 2019 and was called the “*Totoka Dina*” package for different income groups, where the interest rates differ according to their household income. The three categories are;

1. Household income below \$30,000;
2. Household income between \$30,000 and \$50,000; and
3. Current Housing Authority customers with household income above \$50,000

The three Packages differ in terms of the lower lending rates ranging as low as 3.95 percent to 6.99 percent over time.

Mr. Speaker, Sir, these products are mainly funded through the Reserve Bank of Fiji’s concessional lending facility for affordable housing and to date, the Authority has drawn \$15 million from this facility and applied for another \$9 million to meet future demand. So, with this lending facility the Housing Authority is able to borrow at 1 percent interest rate and then they pass on this lower interest rate to the consumers. That is all I have to say, Mr. Speaker, Sir, and I thank you for giving me the opportunity.

HON. SPEAKER.- I thank the Honourable Minister for that statement. We will move on and I now give the floor to the Honourable Alvick Maharaj to ask Question No. 28/2020. You have the floor.

Ban on Paraquat and Imidacloprid Insecticides  
(Question No. 28/2020)

HON. A.A. MAHARAJ asked the Government, upon notice:

Can the Honourable Minister for Agriculture, Rural and Maritime Development, Waterways and Environment update Parliament on the effectiveness of the ban on paraquat and imidacloprid insecticides and whether this has been successful and what alternatives have been made available to farmers?

HON. DR. M. REDDY (Minister for Agriculture, Rural and Maritime Development, Waterways and Environment).- Thank you, Mr. Speaker, Sir. You may recall some time back I had mentioned in Parliament that my Ministry was examining the possibility of banning these two chemicals - a pesticide and the other is an insecticide - pesticide, weedicide, paraquat and insecticide imidacloprid.

Mr. Speaker, Sir, for some time, members of the public have been writing to the Ministry of Agriculture through columns in *dailies*, letters and emails as well about the harmful effect of some of the chemicals that have been used in the agriculture sector. Interestingly, Mr. Speaker, Sir, I had examined that the Ministry of Agriculture is the register of all the chemicals utilised in the country and the Ministry of Agriculture holds the register and decides which chemicals to allow, ban or remove from the list.

Mr. Speaker, Sir, when I was appointed I again started to receive these issues and started to review, and we decided that the first step would be to examine the possibility of removing these particular chemicals.

Mr. Speaker, Sir, when a chemical is being utilised, there is a purpose for it. It was increased for a purpose and therefore you just cannot just go willy-nilly and remove these chemicals. There could be a major havoc because when talking about insecticides, you are talking about managing and controlling insect species that the insecticide is supposed to control. When we talk about weedicide then the purpose is to control the weeds that that particular weedicide has been introduced to control. You cannot just go and ban it because it will affect the agriculture sector. The reason why the members of the public had asked to ban the use of this was because of its effects on health and environment. Chemicals sprayed on agriculture produce can have a

residual impact and we consume it. Therefore, there was a lot of concern about the residual impact which is not visible and its long term effect on health will not be seen immediately.

Also, Mr. Speaker, Sir, the environment because Fiji, like a number of developing countries, we really value our environment. We consume groundwater which is being affected by what is happening on the ground. In this regard, we did a consultation and following the consultation, we identified substitutes for these two chemicals which have much, much lower impact on the environment and health, and we decided that we will give a lead time of three months and then ban these chemicals on the 1<sup>st</sup> of January this year - paraquat and imidacloprid.

Imidacloprid was banned because bee farmers complained that while this chemical was utilised by non-bee farmers to control other insect pests it was also killing bees and therefore affecting bee farming. As you would know, bee farmers need bees around to pollinate and make honey.

So, Mr. Speaker, Sir, we identified substitutes and we banned these chemicals. I want to thank all the stakeholders, the farmers and also importers in particular, for coming on board and supporting this particular initiative. I must say that we are very happy to see 100 percent compliance, of course, when we close off the tap, no supply, there will be no usage. I want to thank FRCA as well for supporting us in terms of monitoring at the border to ensure that no one gets these chemicals back into the country.

Mr. Speaker, Sir, adding on to that, there are a number of other chemicals being utilised in the agriculture sector and also for the household sector. In November, we announced that we are now taking Phase 2 to review all of the chemical that we are utilising to see whether these chemicals can be banned without any impact on the agriculture sector or the household sector, or whether there are substitutes which have less or no harm on health and the environment.

Mr. Speaker, Sir, we gave three months (December, January and February) for written submissions and our staff went out and undertook consultations throughout Fiji. Three weeks ago we then invited all the major stakeholders, chemical suppliers like Agchem Fiji, hardware companies, animal rights groups who have been asking us to ban all the chemicals because people are poisoning the animals and dogs, et cetera, to come and give their submissions face-to-face. We had a very successful meeting where some of them gave written submissions about organic alternatives available to solve the inorganic chemicals that we have been utilising.

Mr. Speaker, Sir, we have started this review with an open mind. We did not say that the terms of reference of the review was to ban chemicals. We said that we wanted to see whether these chemicals are indeed harmful and therefore we are also doing our own research and if they are harmful, there are alternatives which will ensure that that will not negatively affect the agriculture or household sector, and at the same time, there will be no effect on the health and environment.

Mr. Speaker, Sir, we received some very good and convincing and very well-researched submissions based on good, scientific methodology.

Mr. Speaker, Sir, representatives of FAO met us. They came to the Ministry of Agriculture and met myself and the Permanent Secretary and said that Fiji has taken a very important step which would be a benchmark for the other countries, not only in the Pacific but also the Caribbean and small States in the African Region, in terms of ensuring that we will protect our environment as well as the lives of the vulnerable and the poor, who are not very much bothered about the health impact because it is not immediately visible, but moreso in terms of immediately getting output by utilising these chemicals.

Mr. Speaker, Sir, the deadline for submission was three months which is ending this month, but if we find that someone else wants more time, we will be happy to open up and there is no rush. But we want to

ensure that we do a thorough research and analysis in terms of coming up with alternatives to the chemicals which we are exposing our people and given that the Ministry of Agriculture is the custodian of this register of chemicals, we want to do a thorough job. This is Phase Two and under Phase Two, we do hope that we will be able to come up with some very good outcomes in terms of alternatives which will have no effect on the environment and health and at the same time without affecting agricultural output.

So we look forward to that and, of course, it will have go through the formal channel of Cabinet approval. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Minister, and for the fourth Oral Question for today, I give the floor to the Honourable Alexander O'Connor to ask Question No. 30/2020. You have the floor, Sir.

Fiji Airways A350s  
(Question No. 30/2020)

HON. A.D. O'CONNOR asked the Government, upon notice:

Can the Honourable Attorney-General and Minister for Economy, Civil Service and Communications provide an update on the performance of the two new Fiji Airways A350s and whether the aircrafts are delivering value to our national airline and Fiji tourism?

HON. SPEAKER.- I give the floor to the Attorney-General and Minister for Economy, Civil Service and Communications, the Honourable Aiyaz Sayed-Khaiyum.

HON. A. SAYED-KHAIYUM (Attorney-General and Minister for Economy, Civil Service and Communications).- Thank you, Mr. Speaker, Sir.

Mr. Speaker, I would like to thank the Honourable Member for the question. As we are all aware Fiji Airways received and I would say Fiji received and inducted two brand new A350s into the Fiji Airways fleet in November and December respectively last year. The two aircraft have been in operation since December and they have quickly become a favourite for travellers with Fiji Airways. It, of course, enhances customer experience with significantly numerous positive reviews by various international travel magazines, journalists and aviation commentators in our key markets.

Mr. Speaker, Sir, Fiji Airways is the first airline in the Australia Pacific Region to operate the A350 aircraft even before Australia and New Zealand; a fact that we all need to be proud of. It is considered the most advanced passenger aircraft in the world. These aircraft put Fiji Airways on par with the best airlines in the world, including those key partners with Oneworld Alliance, which our national carrier, of course, is a part of.

Mr. Speaker, Sir, together with the customer experience, the aircraft are also offering the significant performance benefits in terms of fuel utilisation. Between 1 December and 14 February, the A350 has operated 238 flights between Nadi and Los Angeles, Sydney and Auckland. If one of the A330 airlines operated the same flights, it would have consumed 695 tonnes more fuel.

Mr. Speaker, Sir, on a direct comparison based on the same passenger and cargo load over the A330, the A350 will save 1.6 tonnes of fuel per return flight between Nadi and Auckland; 2.1 tonnes of fuel per return flight between Nadi and Sydney and 9.6 tonnes of fuel per return flight between Nadi and Los Angeles.

Mr. Speaker, as we can see, there is an immediate significant fuel saving for Fiji Airways, it is great for us in terms of cost deflection and the carbon footprint which is also critically important. The A350s, Mr.

Speaker, Sir, also carry 20 tonnes more cargo with a full load of passengers from Nadi to Los Angeles. These are obviously good news for our exporters in the agriculture sector, the Minister for Agriculture, the Minister for Fisheries and various other Ministers involved in the industry and trade. We are promoting Fijian products. Obviously, it makes it a lot more attractive for our exporters and indeed, it is, of course, a lot more attractive for importers who are sending goods to Fiji itself.

Mr. Speaker, Sir, we are, of course, working with Investment Fiji and various other organisations to ensure that trade is enhanced and indeed investment is enhanced in this area. The A350s, of course, Mr. Speaker, also offer 20 percent increase in capacity on average over the A330s per flight, this means more potential visitors. These aircrafts also offer an extended flying range of 16 to 17 hours which allows Fiji Airways to explore new markets, new routes, going deeper into the USA even destinations such as Chicago, Dallas and various other centres of their domestic aircraft head terminals and head offices.

It also gives an opportunity to fly on the other side, Mr. Speaker, Sir, on Asia and below, of course, beyond Singapore also. This is critically important, Mr. Speaker, Sir, given the various pressures that we do find. Recently, for example, by way of a practical example, Australia has had bushfires. Now, if as a result of that and as a result of flooding, the numbers drop from Australia or because the numbers drop from China because of coronavirus, we as a country from the tourism sector need to ensure that we have different source markets and we are not completely dependent on only one or two source markets. If you have aircraft available to you, almost immediately, well in our case it is available immediately, you can then plan to go to newer destinations, newer markets and so you actually spread your risk. You are not dependent on one or two source markets.

Mr. Speaker, Sir, Fiji Airways has done wonderfully well in that respect and I think all of us as Fijians are very much proud of it. I love the fact that when we drive around Fiji now, many cars actually have the A350 bumper stickers, a lot of the people still have those flags and I think, of course, at the same time, it creates a lot of employment opportunities, not only within Fiji Airways itself but also outside Fiji Airways, and I thank the Member for his question. Thank you.

HON. SPEAKER.- I thank the Honourable Attorney-General. Yes, you have the floor, Madam.

HON. S. ADIMAITOGA.- Can the Honourable Attorney-General tell us what Waqavuka Financing Limited is all about, as the Opposition has been spreading a lot of misinformation on this Company. Thank you, Sir.

HON. SPEAKER.- Honourable Attorney-General, you have the floor.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir, and I would like to thank the Member for this question. In fact, I am glad she has actually asked this question. Unfortunately, the Opposition is not here but I am sure they must be watching us live from somewhere. We understand they are in Sigatoka at this point in time, in a very empty hall.

Mr. Speaker, Sir, the airlines have the option of acquiring or having access to aircraft in two ways: one of them is what we do - an outright purchase of an aircraft, normally you have to pay upfront 20 percent before the aircraft is even made, which is like a down payment. Now the other option is, of course, where you actually have it leased where traditionally you will find there are many aircraft leasing companies in the world where they actually buy directly from the aircraft manufacturer then they lease it out to airline companies. There is a third option which I will come back to in respect of the A350s.

Mr. Speaker, Sir, there was a decision made by Fiji Airways in 2011 to purchase the three airbuses, the A330-200s. Now when airlines actually look at their planning and because of the cost of each metal or

each aircraft is very expensive, they like to have what we call perhaps a smorgasbord of different types of arrangements as far as accessing aircraft is concerned, some airline companies will say “All right, given our equity, we will probably buy 30 percent of the aircraft. We may lease the other 40 percent and the other balance of that will be in some other form of arrangement.”

Now, in the case of the A330s, Mr. Speaker, Sir, the decision was made to purchase the A330s and, of course, we have to have it financed.

As I have highlighted, Mr. Speaker, Sir, normally you get the finance done by banks. But the normal 20 percent down payment needs to come from the airline company themselves. A lot of the airline companies or manufacturers of aircraft have arrangements with their either home countries or different regional organisations. Now, we have the European Export Credit Agency that supports what we call “the balance of net fly away purchase price” that is owned by the manufacturer on the delivery of the aircraft.

Now, Mr. Speaker, Sir, in our particular case, the FJ\$146 million was required for the down payment for the purchase of the aircraft, what we call the Pre-Delivery Payments (PDPs). Now, the PDP funding Mr. Speaker, Sir, for the A330s was financed by way of a 12-year loan of \$146 million from FNPF. To-date Fiji Airways has already paid \$92 million of the \$146 million, it is way ahead of this payment. And FNPF has actually earned quite handsomely from that particular loan that they gave, they have already earned \$34 million in interest itself. It has been a good financial arrangement for them.

The balance of the 80 percent loan financing, Mr. Speaker, Sir, to pay the balance of net flyaway purchase price was provided by a Consortium of German Banks which was KfW IPEX and HeLaBa with the European Export Credit Agency (EECA) support by way of guarantee. Normally, airbuses have arrangements with the European Export Credit Agency to provide that guarantee. Now, Mr. Speaker, Sir, this support from the EECA is very, very important, without it, the interest rate payable by Fiji Airways would be much higher, or obviously significantly impact the ability to purchase in the first place but also the cash flow.

Now, Mr. Speaker, Sir, the EECA, of course, only provides the financing guarantee support for the loan in addition to the credit assessment and approval of the airline. The security arrangements are done through a wholly dependent special purpose company to be set up to hold the title of the aircraft whilst the loan is being repaid. What happens, because the banks know and many banks over a number of decades from 1950s onwards, some of them got burnt, in the sense that, for example, Fiji Airways is a national airline and it is 51 percent owned by the Fijian Government.

Now if the banks have lent money to Fiji Airways and they rely on that aircraft as their collateral, in other words, if Fiji Airways does not do the repayments and falls behind in the repayments then as you have a house, you do not pay the mortgage, the bank comes and seizes the house, sells the house and gets its money back. In the same way, they need to have security of the aircraft but because it is owned by a national airline, they think the risk could be, what if the Government passes a law and says, “You cannot take our national airline out of the territories of Fiji so that is the risk for that.

So what the airlines actually do and many countries have done it, in fact, Fiji has gone through similar arrangements when they board the 737 in the late 1990s, I do not know what sort of “song and dance” the Opposition is making about it. A special purpose company was actually set up to hold the title of the aircraft whilst the loan is being repaid. The shares, the ownership of the special purpose company is held by a security agent acting on behalf of the EECA and the Consortium of Banks. Once the loan has been fully paid, the ownership of the special purpose company and the title of the aircraft is transferred back to the airline, which is Fiji Airways in this particular case.

The reason that the European ECA requires that the aircraft is owned by a neutral third party is to make it easier, as I have highlighted, to enforce the security in the event that our financial lease like Fiji

Airways, for example, or lessee would default in the repayment of the loans. The neutral third party is not likely to take steps to prevent the Consortium of Banks or European ECA from enforcing the security of the financed aircraft. Mr. Speaker, Sir, when Fiji Airways, like it was asked in the 1990s when they bought the 3 Boeing 737s then was asked to set up a special purpose company, Fiji Airways wanted to give it a Fijian flavour. Then they said, "Let us call this company "*Waqavuka Financing Limited*". *Waqavuka*, as we all know, in the indigenous language is referred to an "aircraft", we called it a "*Waqavuka*". So that set up a unique company and as with the arrangements throughout the world, the special purpose vehicle or special purpose company actually holds the title of the aircraft, Fiji Airways on a monthly basis, when they do the loan repayments, it comes into the company and the company then simply disburses the repayment amount to the banks, that is the arrangement.

When the loan is paid off, the special purpose company's ownership, of course, will go to Fiji Airways and the ownership of the aircraft will go to Fiji Airways. Mr. Speaker, Sir, of course, Fiji has also ratified the Cape Town Convention some years back, which also gives assurance to many financiers and indeed to airline leasing companies, including banks that, we, as a country, will honour all our obligations in the event that the collateral is called upon. So they have got additional bonus, additional assurance in respect of that. This is why the interest rates that Fiji Airways is able to acquire is significantly lower than it would have been if we did not actually ratify the Cape Town Convention or if we did not have the special purpose vehicle.

I have seen various comments made by people in the Opposition, in particular, outside and, of course, their forum now is not Parliament but social media, where they have actually been making a lot of absurd types of comments and conspiracy theories, but none of them actually bothered to check that in the 1990s, a similar type of arrangement was done, when Fiji Airways actually bought the three 737s and which, of course, we are trying to get rid of and then to be replaced by the Maxus hopefully very soon when the Maxus come online. So that is the story behind the *Waqavuka* Company, Mr. Speaker, Sir.

Mr. Speaker, Sir, the other arrangement, of course, now we have the A350s is that the A350s, because they are also fairly expensive and because we have got the A330s in terms of outright purchase, we have actually now gone through what we call "a very successful aircraft financing strategy" over simultaneous sale and lease back arrangement to an aircraft lessor. In other words, put simply, Fiji Airways goes out and negotiates with airbus, gets an extremely good deal which it has, in fact, and I will tell you a little story about that if, for example, the airbus says to Fiji Airways, "We will sell you the A350s, say, for example, for \$900 million, immediately then we make arrangements with an aircraft finance company. What they do is, we immediately buy it, the actual upfront cost is financed by the leasing company, and we transfer it to the leased finance company who then lease it to us. We do not actually have the upfront cost of \$900 million, but we do the negotiations, we get a fantastic deal, because it is always easier to get a much better deal between the aircraft manufacturer and the airline company as opposed to the leasing company buying it directly from the aircraft manufacturer. In this particular case, we bought it, we have given it to them, they lease it back to us, and in this way, we simply do monthly repayments.

Mr. Speaker, Sir, that is the arrangement and we have what we call "a lease back and rent back arrangement" for 12 years with the A350, and in any case within 12 years' time, you have the ability to move to another aircraft or even if you keep it till 12 years, the technology will have advanced so much more, then we can then go onto other vehicles. So that is the arrangement, that is the difference that Fiji Airways has regarding the A330s and, of course, the A350s. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Attorney-General for the reply to the supplementary questions. Honourable Members, we have four Written Questions but as the Honourable Members are not here to ask the questions, we will move on to the next Agenda item.



**SUSPENSION OF STANDING ORDERS**

MR. SPEAKER.- Honourable Members, I am allowing the Suspension Motion to be moved by the Leader of the Government in Parliament and I now call on the Honourable Inia Seruiratu to move his motion. You have the floor, Sir.

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Thank you, Mr. Speaker, Sir. Mr. Speaker, I move under Standing Order 6 that so much of Standing Orders 34 and 46 are suspended so as to allow the Honourable Attorney-General and Minister for Economy, Civil Service and Communications to move the following motions today:

- a) A motion pursuant to Section 145(1) of the Constitution and Standing Orders 131;
- b) The two motions pursuant to Section 51 of the Constitution and Standing Orders 130(4).

Thank you, Mr. Speaker, Sir.

HON. A.A. MAHARAJ.- Honourable Speaker, Sir, I beg to second the motion.

HON. SPEAKER.- I now call upon the Leader of the Government in Parliament to speak to his motion. You have the floor, Sir.

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Mr. Speaker, Sir, I am moving the Suspension Motion to allow the Honourable Attorney-General to move the three motions in relation to matters which must be dealt with today.

The first motion, Mr. Speaker, Sir, is the motion for Government to continue to guarantee the Fiji Development Bank's borrowing. This is of vital importance as the current guarantee which enables Fiji Development Bank (FDB) to borrow through its various short-term and long-term instruments expires on 29<sup>th</sup> February, 2020.

Mr. Speaker, Sir, without this guarantee, Fiji Development Bank will be unable to source financing from the market, it also prevents FDB from providing loans to essential sectors of the economy in line with Government's development policies. This is particularly in relation to resource-based sectors, including agriculture, mining and quarrying, manufacturing, transport, communications, storage, and small and micro enterprises. Mr. Speaker, Sir, thus it is imperative that this be dealt with as soon as possible.

The second and third motions, Mr. Speaker, Sir, are in relation to the ratification of the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer and the accession to the Asia-Pacific Regional Convention on the Recognition of Qualifications in Higher Education.

Mr. Speaker, Sir, the Standing Committee on Foreign Affairs and Defence tabled its Report on these Treaties on Tuesday, 18th February, 2020 pursuant to Standing Order 130. The Reports clearly recommend that these treaties be ratified, however, as the Business Committee is aware, the Honourable Prime Minister and I will not be here tomorrow for the motion, to ratify and accede to these treaties and as such, tomorrow we will not be able to meet the requirement under the Standing Order 130(5) that a majority of all Members must approve the ratification of a treaty.

If we have any confirmation, Mr. Speaker, Sir, that the Opposition would be present tomorrow to perform their roles as duly elected representatives, perhaps we could leave the motion to tomorrow as stipulated in our earlier Notice of Motion. However, given their absence yesterday and today, we are not willing to rely on them.

Mr. Speaker, Sir, therefore today is the last day, we can reasonably be assured to move this motion and have it considered by a majority of Parliament and so we are seeking to suspend Standing Orders in relation to Standing Order 46 to allow us to do so.

Finally, Mr. Speaker, Sir, I must stress that doing so will give effect to the Bi-partisan Report of the Standing Committee on Foreign Affairs and Defence which recommended ratification and accession without reservations. Thank you, Mr. Speaker.

HON. SPEAKER.- I thank the Honourable Leader of the Government in Parliament. Honourable Members, the floor is now open for debate on this motion if there are any who wish to debate. There being none, I now call on the Leader of the Government in Parliament to have the floor.

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Thank you, Mr. Speaker, Sir. I have nothing further to add to the motion.

HON. SPEAKER.- Honourable Members, that being so, the Parliament will now vote.

Question put.

Motion agreed to.

### **GOVERNMENT GUARANTEE - FIJI DEVELOPMENT BANK**

HON. SPEAKER.- Honourable Members, I now call upon the Honourable Attorney-General and Minister for Economy, Civil Service and Communications, Honourable Aiyaz Sayed-Khaiyum to move his motion. You have the floor, Sir.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. Mr. Speaker, Sir, for the purpose of Section 145(1) of the Constitution of the Republic of Fiji and pursuant to Standing Order 131, I move:

That Parliament approves that:

- a) Government guarantees the Fiji Development Bank borrowings through the issuance of short and long term bonds, promissory notes, term deposits and other short term borrowings and the Reserve Bank of Fiji Import Substitution Export Finance Facility in the 12-month period from 1<sup>st</sup> March, 2020 to 28<sup>th</sup> February, 2021;
- b) Government guarantees the sum of \$116 million for the guarantee period; and
- c) FDB pays a guarantee fee of 0.075 percent to be applied in a cumulative utilised guarantee credit.

Thank you, Sir.

HON. LT. COL. I.B. SERUIRATU.- Mr. Speaker, Sir, I beg to second the motion.

HON. SPEAKER.- I now call upon the Attorney-General and Minister for Economy, Civil Service and Communications, Honourable Aiyaz Sayed-Khaiyum to speak to his motion. You have the floor, Sir.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. Mr. Speaker, as I am obliged under the law, I need to provide background in respect of the guarantee facility itself and indeed the organisation or entity to which we are giving the guarantee to.

The FDB's Annual Report which we discussed earlier on today, Mr. Speaker, Sir, with the establishment under the provisions of the Fiji Development Bank Act 1966, opened for business on 1st July, 1967.

Its special mission is to provide the development finance to the projects which contribute to the development of the Fijian economy and help improve the country's quality of life for all Fijians.

Pursuant to Section 5 of the Act, Mr. Speaker, Sir, the Bank's function is to, and I quote:

“Facilitate and stimulate the promotion and development of natural resources, transportation and other industries and enterprises in Fiji and, in the discharge of these functions, the Bank shall give special consideration and priority to the economic development of the rural and agricultural sectors of the economy of Fiji.”

Mr. Speaker, Sir, in discharge of the above-mentioned function, the Bank under Section 16 of the Act may raise funds through the issue of bonds, promissory notes, term loans and other interest bearing instruments.

The repayment of such borrowings may be guaranteed by the Government in accordance with Section 16(3) of the relevant Act. The 2020 Government guarantee request from the Bank, Mr. Speaker, Sir, will:

1. Enable concrete facilitation and implementation of Government policy by lending to essential sectors of the economy particularly resource-based sectors as highlighted by the Honourable Leader of the Government in Parliament which includes, of course, agriculture, mining, quarry, manufacturing, transport, communications and storage for micro-enterprises in wholesale, retail and hotels and professional business services which will assist our citizens to earn a decent livelihood.
2. Ensure that the Bank lend to the resource-based sector will assist in the development of the agricultural sector and in the long run assist the development of the Fijian economy.
3. Ensure that the Bank's borrowings are guaranteed by the Government therefore reducing the perceived risk associated with such borrowings. This will make the Bank's instrument more attractive to investors and should reduce the cost of interest for the Bank.
4. Ensure that the Bank's proposed term deposits and RBF Import Substitution and Export Finance (ISEFF) are guaranteed by the Fijian Government and will build investor-confidence and thus will help the Bank to manage its liquidity position as well.

Mr. Speaker, Sir, regarding the Bank's lending portfolio as at 30th June, 2019, the Bank had a total of 5,145 loan accounts with accumulative loan portfolio of \$539.74 million. In line with the Fijian Government's mandate, the number of loan accounts with the agricultural sector constitute 58.6 percent of the total loan accounts as at 30th June, 2019.

In general, the focussed sectors represent 79.5 percent of the total number of loan accounts and 43.4 percent of the total value of the loan portfolio while the remaining total represents the non-focussed sectors.

The Bank recorded operating profit after tax of \$4.06 million in 2019. In terms of the overall gearing, the total assets of the Bank stood at \$545.61 million up by \$77.69 million or 17 percent while total liabilities accounted for \$373.33 million, an increase by \$63.62 million or 21 percent, as compared to the corresponding period last year.

A slight increase in debt to equity ratio to 2.07 was noted in the 2019 compared to 1.87 recorded in the same period last year mainly due to the increase in FDB borrowings to cater for an upward demand in loans which shows that there is growth in the economy, Mr. Speaker, Mr. Speaker, Sir.

For the last three calendar years, Mr. Speaker, Sir, the Bank's borrowing request averaged around \$150 million. The Bank's total forecasted inflow for 2020 is \$97.06 million and requires an additional \$160 million to finance the total outlay of \$257.06 million. The additional \$160 million will be raised through issuance of bonds, promissory notes, short term borrowings, term deposits and any RBF ISEFF.

The provision of Fijian Government guarantee over the years to the Bank, Mr. Speaker, Sir, has enabled flexibility to optimise its borrowing mix which in turn has reduced cost to borrowings and achieved an optimum maturity profile structure.

Mr. Speaker, Sir, our standing liability is guaranteed by the Fijian Government as at 31st December, 2019 stood at \$284.78 million of which:

- 1) Bonds were \$223.3 million or 78.4 percent;
- 2) Promissory Notes were \$24 million or 8.4 percent;
- 3) Term Deposits were \$21.20 million or 7.4 percent;
- 4) RBF ISEFF were \$16.28 million or 5.7 percent.

The Bank's current average lending rate and cost of borrowing as of 31st December, 2019 are 8.03 percent and 4.09 percent respectively. Additionally, the Bank also accommodates and delivers a variety of Fijian Government's socio-economic and lending policies and therefore requests that it continues to be assisted by the provision of a Government Guarantee.

As at 31st December, 2019, the Fijian Government guarantee stands at \$284.78 million and added to the additional sum of \$160 million requested, the total Fijian Government guarantee exposure for FDB would increase to \$444.78 million.

Mr. Speaker, Sir, the Bank has never had a call on the Fijian Government to honour its guarantee, in other words, the Bank has always paid its loans which indicates that it is being managed in a prudentially sustainable manner. In addition, the guarantee fee continues to be paid in a timely manner or timely basis upon the utilisation of the guarantees.

Mr. Speaker, Sir, effective from 21st November, 2019, the RBF undertook full supervision of the Bank. The RBF is conducting semi-annual offsite monitoring for the Bank and provides an updated report on the outcome to the Ministry of Economy. The FDB is fully-owned by the Government and operates under its own Act as an autonomous statutory body.

The FDB reports to and its board of directors are appointed by the Ministry of Economy. It is modestly profitable, assisted by Government interest rates subsidy but has FJ\$284.78 million as of 31st December, 2019 of Government guaranteed short-term and long-term debts and operates in a relatively high risk environment. Notwithstanding that, Mr. Speaker, Sir, the FDB is doing well and provides a major source of impetus to the

development of the Fijian economy and therefore, Mr. Speaker, Sir, I commend the motion before the House. Thank you very much.

HON. SPEAKER.- I thank the Honourable Attorney-General. Honourable Members, the floor is now open for debate on this motion. Is there anyone wishing to take the floor? Honourable Leader of the Government in Parliament.

HON. LT. COL. I.B. SERUIRATU.- Thank you, Mr. Speaker, Sir. I would like to contribute to the motion and show my support to the motion before the House.

We have had a lengthy discussion before lunch, Mr. Speaker, Sir, about the Annual Report of the FDB and, of course, we are thankful again and congratulate the CEO, his senior management and the staff for the positive trend in which the FDB continues to deliver its services to the people.

As alluded to by the Honourable Minister for Economy and Attorney-General that the role that the FDB plays is very, very important, particularly, to a developing country as Fiji and not only in terms of the development of natural resources and the agro-based sector but, of course, in the development of other sectors of the economy as well and I want to particularly comment on the assistance given to Small and Medium-Sized Enterprises (SMSEs).

Perhaps the Minister for Trade will also talk on this as well but I speak based on my experience as Commissioner, Northern Division, on the role that the FDB played in partnering with the “Look North Policy” Team in financing SMEs for the people of the Northern Division.

As a result back then, Mr. Speaker, Sir, you would recall that branches were opened in Somosomo, Taveuni, in Nabouwalu, Bua additional to those that were already in existence in Seaqaqa and, of course, in Labasa Town. This has contributed significantly to the improvement in livelihood, particularly to the people of Vanua Levu in terms of assistance to the farmers in Taveuni, in mainland Cakaudrove as well and, of course, Bua, and the assistance provided to the fishermen, particularly, along the coast of Vanua Levu, again in Bua, Macuata Province and Cakaudrove as well.

The role of the FDB is so important and, of course, with the support that Government provides, it has continued to deliver services to the expectation of the people and I once again wish to thank the FDB and support the motion before the House. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Minister for Defence. Honourable Minister Premila Kumar, you have the floor.

HON. P.D. KUMAR.- Thank you, Mr. Speaker, Sir. I also support the motion. We all spoke at length in the morning, talking about the positive contribution that the FDB is making in the lives of our people, how it is contributing to the economy, how it is contributing to the development and the fact that it assists small, micro and medium enterprises to expand and grow is something that we all must recognise.

The fact is that, these businesses cannot get loans from the banks. The banks normally ask for collateral. They will pick and choose their customers, they do not want to take the risk but our Development Bank takes the risk. And for that reason, Mr. Speaker, Sir, I support the motion because we need banks like FDB. On the other side, if you take into consideration the financial performance of FDB, we have seen in 2017 that they did make a profit of over \$8 million despite borrowing and then lending. So it is a positive sign that the bank is doing well and we should be behind this Bank. So thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Minister. Honourable Waqainabete, you have the floor.

HON. DR. I. WAQAINABETE.- Honourable Speaker, I commend the motion before the House. We have just heard this morning, Honourable Speaker, about the Fiji Development Bank and the major strides that it is taking right across the nation. It is a development bank but has certain niche areas that are important in our development as a nation which the Bank continuous to contribute and support. I have seen some of the areas in which they have been involved in the bus loans, the machinery for farming, equipment, vehicles to support farmers, of course, in the big role of the agriculture industry.

I also take note that they have also been supporting the Tilivalevu Beef Farmers project up in Nadroga. You may be aware, Honourable Speaker, that in the 80s and in the early 90s we had more than 20,000 herd of cattle coming through from Nadroga/Navosa with Tilivalevu, Yalavou and Uluisaivou.

I think, the other scheme has died down, and now with the Tilivalevu Beef Scheme being supported through FDB, that has grown some interest in the Nadroga/Navosa area and certainly around Yalavou where my relatives of Bemana are very keen that with that success, that it will be able to come through to them in the years to come. So with those short contribution, Honourable Speaker, I commend the Bill before the House. *Vinaka*.

HON. SPEAKER.- I thank the Honourable Minister. I now give the floor to the Attorney-General and Minister for Economy and Civil Service and Communications, the Honourable Aiyaz Sayed-Khaiyum, for his right of reply. You have the floor, Sir.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. Mr. Speaker, Sir, I think the Honourable Speakers have spoken after the introduction of this motion. They have succinctly summarised the importance of FDB and I am sure we will all agree with the importance of FDB and indeed the importance of this guarantee and I have nothing further to add. Thank you, Sir.

HON. SPEAKER.- Honourable Members, the Parliament will now vote.

The question is, for the purposes of Section 145(1) of the Constitution of the Republic of Fiji, and pursuant to Standing Orders 131:

That Parliament approves that:

- a) Government guarantees the Fiji Development Bank borrowings through the issuance of short and long term bonds, promissory notes, term deposits and other short term borrowings and the Reserve Bank of Fiji Import Substitution Export Finance Facility in the 12-month period from 1<sup>st</sup> March, 2020 to 28<sup>th</sup> February, 2021;
- b) Government guarantees the sum of \$116 million for the guarantee period; and
- c) FDB pays a guarantee fee of 0.075 percent to be applied in a cumulative utilised guarantee credit.

Does any Member oppose the motion?

(Chorus of “Noes”)

HON. SPEAKER.- As no Member opposes, the motion is agreed to unanimously.

Motion agreed to.

HON. SPEAKER.- I now call upon the Attorney-General and Minister for Economy, Civil Service and Communications, the Honourable Aiyaz Sayed-Khaiyum, to move his motion. You have the floor, Sir.

### **KIGALI AMENDMENT TO THE MONTREAL PROTOCOL**

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. For the purpose of Section 51 of the Constitution of the Republic of Fiji, pursuant to Standing Order 130, I move:

That Parliament approves that Fiji ratifies the Kigali Amendment to the Montreal Protocol on substances that deplete the ozone layer.

HON. LT. COL. I.B. SERUIRATU.- Mr. Speaker, Sir, I beg to second the motion.

HON. SPEAKER.- I now invite the Attorney-General and Minister for Economy, Civil Service and Communications, the Honourable Aiyaz Sayed-Khaiyum, to speak to his motion. You have the floor, Sir.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. By way of background, the Standing Committee on Foreign Affairs and Defence earlier this week, tabled their Report in relation to the Amendment in which we know that 100 percent of the submissions received by the Committee, urged the State to ratify the Amendment. The Fijian Government, Mr. Speaker, Sir, acceded to the Vienna Convention on the protection of the ozone layer and the Montreal Protocol on substances that deplete the ozone layer, called the Montreal Protocol in 1989.

Through the Montreal Protocol, Fiji has successfully reduced the use of Ozone Depleting Substances (ODS) over the years, contributing to the rebuilding of the ozone layer. In addition, Mr. Speaker, Sir, the Montreal Protocol is contributing in the reduction of greenhouse gas emissions of around 135 billion tonnes of carbon dioxide equivalent to that amount making it a key contributor to the global fight against climate change.

The Montreal Protocol evolves over time and has been adjusted and amended several times to reflect latest findings and service and signs of the ozone layer. It also evolves in the consideration of the development and progress of ODS alternative technology. Fiji has already ratified all four Amendments to the Montreal Protocol, namely, the London Amendment 1990, the Copenhagen Amendment 1992, the Montreal Amendment 1997 and the Beijing Amendment 1999.

The most recent Amendment to the Montreal Protocol is the Kigali Amendment which is the fifth Amendment. The Kigali Amendment was agreed on 15th October, 2016 in Kigali, Rwanda, and entered into force on 1st January, 2019, with the exception of the changes to Article 4 of the Montreal Protocol which will enter into force on 1st January, 2033. As of 17th February, 2020, the Kigali Amendment has 93 State Parties. The Fijian Government, through the Department of Environment, has continued to support the use of ozone-friendly technologies and gases in Fiji. Their support of the Montreal Protocol's work and the recovery of the ozone layer by phasing out ODSs and in the process, has contributed in the mitigation of climate change.

Mr. Speaker, Sir, for ratifying the Kigali Amendment, Fiji will consent to supporting the reduction of Hydrofluorocarbons (HFCs) gases that tremendously contribute to global warming.

In terms of the summary of the Kigali Amendment, Mr. Speaker, Sir, the Amendment is a binding international Agreement or Treaty which is intended to create rights and obligations in international law. It is designed to phase-down and reduce the production and consumption of HFCs frequently used in refrigeration and air conditioning systems and currently used as replacements to ODSs.

The HFCs or greenhouse gases which can have high or very high Global Warming Potentials (GWPs) ranging from 12 to 14,800 GWPs - the measuring of that. The Amendment creates the opportunity and the potential to avoid up to 0.5 degrees Celsius of warming by the end of the century. The Amendment adds a new Annex F which lists HFCs separated into two separate groups. Group II substances, only HFC 23 for the time being will be treated differently from Group 1 substances for the purpose of reporting on emissions, which is Article 7 Amended.

The application of approved technology to emissions and destruction of substances Article 2 Amended. Generally, the Amendment requires the phase-down of HFCs, which are frequently used as substitutes of ODSs and are powerful global warming potential gases. The two groups will list the following: Annex F-Group I; all HFCs except HFC-23 and Hydrofluoroolefin (HFO) and Annex F, Group II: HFC-23. It requires parties, Mr. Speaker, Sir, to gradually reduce the use of Hydrofluorocarbons (HFC) by 80 percent to 85 percent by the late 2040s. Fiji is listed as a developing country in Article 5 of the Montreal Protocol and it is required as an Article 5 country to phase-down the production and consumption of HFCs listed in Annex F.

Upon the ratification of the Amendment, Mr. Speaker, Sir, parties will begin to deploy new technologies in line with its requirements. Parties will also be able to gain competitive advantage in the world market. The technologies are often cost-effective and lead to an improvement in the quality of end products, including improvement in energy efficiency.

The Amendment allows parties a degree of flexibility in implementing their obligations. It is designed to give parties sufficient time and the opportunity to phase-down HFC in a way that suits their country's need and interest, setting its own priority for particular HFCs, technologies and alternatives. Through the Amendment, the Montreal Protocol takes responsibility for HFCs and plays a leading role in working towards an environmental sustainable world where no one is left behind, consistent of course with the 2030 Agenda for Sustainable Development.

In relation to the procedural aspects for implementation, if Fiji ratifies the Amendment after 1<sup>st</sup> January, 2019 as it is the case here, the Amendment enters into force on the 90th day following the date of its ratification. To give effect to the Amendment of the Ozone Depleting Substances Act 1998, it will need to be amended to achieve the HFC phase-down. Currently the Schedule to the Act contains a list of Ozone Depleting Substances (ODSs) controlled substances. The Act will need to be amended to include the additional controlled substances.

Whilst the current law provides for a licensing system for the import and export of ODSs, this will need to be extended to cover the HFCs listed in the Amendment. The first HFC reduction for Article 5 countries (which includes Fiji) will occur in 2024. However, prior to the reductions, the Amendment will require Fiji to;

- a) Conduct a survey of consumption of HFCs in order to acquire Fiji's HFC baseline;
- b) Establish a licensing system for HFCs to be in place by 1<sup>st</sup> January, 2019. Of course, this deadline has passed, Fiji can delay the establishment of the licensing system to 2021 (that is next year) in accordance with Article 4(b) of the Montreal Protocol; and
- c) Conduct a review of the current national laws which are Ozone Depleting Substances Act 1998 and Ozone Depleting Substances Regulations 2010 to include HFCs under its control.



Fiji will also need to develop a practical strategy to phase-down HFCs including monitoring and enforcement of the same. Upon ratification of the Amendment and if the Amendment is successfully implemented, the amendment is anticipated to avoid up to 0.5 Degree Celsius of global warming by 2100, a significant contribution towards the Paris Agreement's objective of keeping the global temperatures rise well below 2 Degree Celsius and also support the Fijian Government's fight towards climate change.

Article 4 of the Montreal Protocol restricts parties from trading controlled substances with States not party to the Protocol. The Amendment when Article 4 enters into force will restrict trade in HFCs between parties and States that are not parties to the Kigali Amendment. The trade-controlled provision enters into force on 1st January, 2033 provided at least 70 protocol parties have ratified the Amendment. Otherwise the trade restrictions enter into force on the 90th day following the 70<sup>th</sup> ratification.

Article 10 of the Montreal Protocol establishes financial mechanism to provide financial and technical cooperation including the transfer of technologies to support Article 5 countries like Fiji on their compliance. Indeed this is something that we are looking forward to and this will open up contributions or assistance from different countries but also international agencies. There will be financial support for enabling activities, institutional strengthening, import and export licensing and quotas, reporting of these, demonstration projects and the development of national strategies for phasing down HFCs. Being party to the Amendment will ensure that Fiji does not operate with technologies that become obsolete and it will avoid situations whereby processes and facilities, Mr. Speaker, Sir, that are not updated begin to operate at an economic disadvantage.

It will result in the loss of markets for non-party industries and the use of latest innovative technologies in related fields. Fiji's ratification of the Amendment, Mr. Speaker, Sir, will reaffirm our existing commitments under the Montreal Protocol and at the same time it will support Fiji's commitments under the Paris Agreement and the global goal to save lives greenhouse gas concentrations in the atmosphere, the level that would prevent anthropogenic interference with the climate system. There are no substantive financial implications for Fiji by ratifying the amendment and the dedicated institution required for the administration of this Department at the domestic level is already in existence which is, of course, the Department of Environment.

Given the strides that have been made under this particular Convention, Mr. Speaker, Sir, under the Kigali Amendment, it is recommended that Fiji ratifies the Kigali Amendment to the Montreal Protocol Substances that deplete the ozone layer as it will also be another milestone achievement by the Fijian Government in particular in our commitment to controlling climate change. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Attorney-General. The floor is now open for debate on this motion. Honourable Reddy, you have the floor.

HON. DR. M. REDDY.- Thank you, Mr. Speaker, Sir. Mr. Speaker, the mover of the motion, Honourable Attorney-General, has provided a detailed response to why we should be ratifying the Amendment.

Mr. Speaker, Sir, on behalf of the Ministry of Waterways and Environment, we are looking forward to Fiji ratifying the Amendment. We want to be part of the international movement to protect the ozone layer. The ozone layer depletion is not a localised activity. The entire movement, the entire global community has to get together and act to protect our ozone layer which keeps out the UV rays.

Mr. Speaker, Sir, by ratifying the Agreement, we look forward to sourcing funds internationally to assist us into converting the various users or migrating the users towards using those particular gases which do not have any harmful effect on the ozone layer.

Mr. Speaker, Sir, we also need the Amendment to basically maybe to the users domestically at home, shipping companies and also the companies who are using that particular gas for refrigeration purposes to migrate to the gases which are allowable under the ratification for cooling and refrigeration.

Mr. Speaker, Sir, I support the motion and I look forward to Fiji ratifying the Amendment, thank you.

HON. SPEAKER.- Thank you. Honourable Premila Kumar, you have the floor.

HON. P.D. KUMAR.- Thank you, Mr. Speaker, Sir, I also support this motion. Last week, at the Forum Trade Ministers meeting that was held in Suva, we discussed at length about this Kigali Amendment particularly its implication on trade. This Kigali Amendment will contribute positively towards combatting or reducing greenhouse emission. As the Attorney-General has mentioned, HFC has got a very high greenhouse potential and Fiji has got a very good record. If you look at it from 1989 in dealing with ozone depleting substance, they have received a number of awards from UNEP in dealing with ODS substances.

It must be realised that HFC is an alternative that was introduced in the market to deal with CFC and HFC but unfortunately this alternative has now turned out to be a contributor to greenhouse gas. So it simply means that once we sign-off this Kigali or ratify this Kigali Amendment from the trade perspective, we have to phase-down the use of HFC which can have an impact on our shipping, airlines, mortuaries, tourism sector, wherever we are using refrigeration, air conditioning and heat pumps. But then, nothing to fear because of the technology and the various other alternatives that are introduced in the market.

The ODS is one ozone depleting substance or what we called this Kigali Amendment or Montreal Protocol is one successful Convention because of the alternatives that are available in the market. As mentioned earlier on, Fiji, being an Article 5 country, which means that it is not overnight, we will be given ample time to phase-down Hydrofluorocarbons and we can prepare ourselves in that. The only warning that I would give is that normally when alternatives come into the market, often it gets tested and some of these alternatives, particularly for retrofitting, can be flammable. So this is where a lot of training needs to be provided to the refrigeration companies, et cetera, but again, the funds are there that we can utilise in training our private sector to deal with new alternatives that are introduced in the market. So with these words, Mr. Speaker, I support the motion.

HON. SPEAKER.- I thank the Honourable Minister. Honourable Waqainabete, you have the floor.

HON. DR. I. WAQAINABETE.- Thank you, Honourable Speaker, I support the motion before the House. Certainly, from a health perspective, Honourable Speaker, we continue to support any motion that will protect our ozone.

As you are aware, Honourable Speaker, it is a known fact that the ozone layer in the southern hemisphere to an extent is thinning out. We also know that there is a significant component of skin lesions such as melanoma related to this, but also the effect of heat stroke and other heat-affected illnesses that can affect human beings.

Honourable Speaker, one would argue, what is our carbon imprint, a small island state such as Fiji? But, Honourable Speaker, we take a lead role and that is what we have done, the Honourable Prime Minister has championed it and as a Government, we have championed this in protecting our environment and climate change, irrespective of whatever our carbon imprint is, we have put our hand forward all the time whenever there is something to this nature and we have done it again. To this effect, I commend the motion before the House.

HON. SPEAKER.- I thank the Honourable Minister. Honourable Leader of the House, you have the floor.

HON. LT. COL. I.B. SERUIRATU.- Thank you, Mr. Speaker, Sir. As I will not be in tomorrow's session, I would like to empty the tank today. Thank you for the opportunity, Mr. Speaker, Sir. I support the motion on the ratification of the Kigali Amendment to the Montreal Protocol on substances that deplete the ozone layer.

Mr. Speaker, Sir, again, as the Minister for Foreign Affairs, I have talked about our hope in multilateralism and our responsibility as a responsible global citizen. As the Minister for Economy and the honourable Attorney-General has alluded to, we were the first country that ratified the Paris Agreement and of course, we have also ratified the Kigali Amendment to the Montreal Protocol. With that comes responsibilities, Mr. Speaker, Sir, and I am thankful that we are showing the world that we are not only talking, but we are also committed to the agreements that we have ratified. I am thankful that we are able to amend the ratification of the Kigali Amendment to the Montreal Protocol.

Secondly, Mr. Speaker, Sir, again, as a global climate champion for two years, when we attend meetings, we have our friends and partners that ask us as to when Fiji is going to ratify the Kigali Amendment because these are very important steps in the reduction of global warming. I stand to be corrected on this, but I think HFCs are more harmful than methane and therefore this ratification to the Kigali Amendment is timely and again, it is not only about talking. There is too much talk in the climate change space but what the world needs is action and this is action, Mr. Speaker, Sir.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. LT. COL. I.B. SERUIRATU.- As alluded to by the Honourable Minister for Trade, let us not panic. The good thing is, when we have made these commitments, the technology will come to replace what is in existence - technologies that are more efficient, more environmentally-friendly and, of course, this is all part of the just transition when it comes to the implementation of the Paris Agreement and I am thankful again. As I have alluded to earlier, we were the first country to ratify the Paris Agreement and, of course, this very well links up to the Kigali Amendment, and I fully support the motion before the House. Thank you.

HON. SPEAKER.- I thank the Honourable Leader of Government Business in the House and I now give the floor to the Attorney-General for his right of reply.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. I commend all the Members who spoke in favour of the ratification of this Convention and I have nothing further to say. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- Honourable Members, the Parliament will now vote.

Question put.

Motion agreed to.

**2011 ASIA-PACIFIC CONVENTION ON THE RECOGNITION OF  
HIGHER EDUCATION QUALIFICATIONS**

HON. SPEAKER.- I now call upon the Attorney-General and Minister for Economy, Civil Service and Communications, the Honourable Aiyaz Sayed-Khaiyum to move his motion. You have the floor, Sir.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir.

Mr. Speaker, Sir, for the purpose of Section 51 of the Constitution of the Republic of Fiji and pursuant to Standing Order 130, I move:

That Parliament approves that Fiji accedes to the 2011 Asia-Pacific Convention on the Recognition of Higher Education Qualifications.

HON. LT. COL. I.B. SERUIRATU.- Honourable Speaker, Sir, I beg to second the motion.

HON. SPEAKER.- I now call on the Attorney-General and Minister for Economy, Civil Service and Communications, the Honourable Aiyaz Sayed-Khaiyum to speak on his motion. You have the floor, Sir.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. I would like to thank the Committee for the tabling of the Report in relation to the Convention. We know that 100 percent of the submissions that were received by the Committee urged the State to accede to the Convention.

Just by way of background, Mr. Speaker, Sir, a recent study by the United Nations' Educational Scientific and Cultural Organisation (UNESCO), the Institute for Statistics found that the Asia-Pacific region influenced global trend to institute migration. The Asia-Pacific region makes up 28 percent of the global total of international students. There was a 164 percent increase in tertiary students from 1999 to 2014 seeking to study in the Asia-Pacific region. This trend led to the Asia-Pacific region becoming one of the top destinations for international students.

To support the increased cross-border mobility of students and to ensure access to quality education, UNESCO initiated six regional conventions on the recognition of higher education qualifications, including the Asia-Pacific Regional Convention which was first adopted in Bangkok, Thailand in 1983, commonly known as the 1983 Bangkok Convention. To date, there are 21 parties to the 1983 Bangkok Convention. Fiji did not become a party to the 1983 Bangkok Convention.

In view of new developments, Mr. Speaker, Sir, shaping higher education such as the increase in the number of higher education institutions, the increase in the use of information technology and the diversification of higher education providers culminated in the revision of the 1983 Bangkok Convention. The revision process led to the adoption of a new Convention in Tokyo, Japan in 2011, the Asia-Pacific Regional Convention on the Recognition of Qualifications in Higher Education which is the subject convention.

The Convention ensures that higher education students and the studies, Mr. Speaker, Sir, are recognised as widely as possible. Sir, I need to say that again. The Convention ensures that the higher education studies in its member countries are recognised as widely as possible given the diversity of the education system within the region so it is a mutual recognition of various institutions and the curriculum it offers. The Convention came into force on 1st February, 2018, to date a total of 15-member States have either signed, ratified or acceded to the Convention.

Mr. Speaker, Sir, the Convention is a total of 10 Sections. Whilst the preamble says the purpose of the Convention itself, the Article provides for the definition of terms such as “higher education” et cetera.

Article 2 outlines the application of the Convention on competent recognition authorities which is the governmental or non-governmental body official authorised by Government with making decisions on the recognition of foreign qualifications.

Article 3 defines the basic principles where it does the assessment of qualifications.

Article 4 provides for the recognition of qualification giving access to higher education, including accreditation of foreign qualifications. It also imposes each party, Mr. Speaker, Sir, to impose additional requirements on holders of higher education or higher qualification to enable access to higher education programmes within their own education systems.

Articles 5 and 6 provide for the recognition of partial studies which is not a complete programme in itself but it can be equated with the significant acquisition of skill and knowledge.

Article 7 allows the recognition of qualifications held by refugees, displaced persons and persons in a refugee-like situation even in qualifications obtained by one of the parties can be proven through documentary evidence.

Article 8 provides that each party to maintain national information centres and provide adequate information on its institutions and higher education system and qualification of the competent recognition authorities of other parties.

Mr. Speaker, Sir, as far as the requirements for implementation of this particular Convention on Domestic Law, there is no specific requirement under the Convention to implement the provision of the Convention by Domestic Law. However, one of the recommendations we have seen in the Committee is to review the Higher Education Act. While the recommendation of the Committee is noted, the Higher Education Act 2008, in fact, has no bearing in the domestic implementation of the Convention itself. The current provision(s) of the Higher Education Act 2008 does not or do not restrict Fiji for meeting its obligations under the Convention.

Under the Convention, Fiji must have a competent recognition authority as a central authority to make decisions and recognition. The Fiji Higher Education Commission (FHEC) will be responsible for this role and will be bound by the provisions of the Convention.

Mr. Speaker, Sir, regarding assessment, Articles 4 and 7 of the Convention mandate the State parties to make appropriate arrangements for the assessment and recognition of qualifications that are transparent, coherent, reliable, fair, timely and non-discriminatory. This includes the assessment of partial studies. Fiji already has the Fiji National Qualification Framework which is used to compare provider qualifications with levels and the FQF for the accreditation of qualifications. The FQF requires a platform for different learning pathways and promotes learner mobility by clarifying how qualifications relate to each other within the National Education Training system. In Fiji’s case, our FQF is managed by the Fiji Qualifications Council.

In 2012, Mr. Speaker, Sir, the UNESCO Asia and Pacific Regional Bureau for Education prepared the tool kit for the recognition of foreign higher education qualification. The main goal behind the development of the tool kit is to provide a common reference guide for the Asia Pacific region with regard to assessing higher education qualifications.

Last year, the FQF was reviewed to align it with the guidelines provided under the tool kit.

Article 7 of the Convention requires each State party to establish a system, a unit or a centre that acts as a single point of contact which is called the National Information Centre (NIC) to provide information and qualification in the higher education systems.

In 2013, UNESCO Asia and Pacific Regional Bureau of Education prepared the guidelines for NIC for the recognition of foreign qualifications and higher education. The Fiji Higher Education Commission has a national database that collates information about the higher education institutions and Conventions. This will be expanded, Mr. Speaker, now under the FHEC for the purpose of the Convention in line with the guideline.

Mr. Speaker, Sir, of course, the ratification of this Convention will give Fiji a lot more prominence in the Asia Pacific region. We are seeing a movement of students in and out of Fiji and, of course, the education sector in itself has become an international trade, if you like for want of another word, where we have a lot of students that, for example, now we have in Fiji, a lot of Japanese students come to Fiji, in particular, in the Western Division to learn, to improve their English. We have, of course, other Fijian students going to other parts of Asia-Pacific now to be able to upgrade their skill-sets, whether it is in the Universities, et cetera, in terms of the Masters Programme, in terms of the PhD Programmes, so, this will create a lot more of a universal application on the accreditation for our Universities, of course, in particular, for Fiji National University (FNU) and it is therefore recommended that we ratify this Convention, Mr. Speaker, Sir. Thank you.

HON. SPEAKER.- I thank the Honourable Attorney-General. The floor is open for debate. The Honourable Usamate, you have the floor, Sir.

HON. J. USAMATE.- Thank you, Mr. Speaker, Sir, I just stand to support the motion that is before the House for Fiji's signing up to this Convention for the Recognition of Higher Education Qualifications for the Asia-Pacific region.

Fiji, for a long time, has been a hub of education in the Pacific. A lot of people from the different countries have come initially because we have the University of the South Pacific here. So, over the years, we have managed to be able to develop our ability to be an education hub but, of course, the limitations for that was that it was only recognised across the Pacific. Now that we are obviously signing up to this Recognition of Higher Education Qualifications across the Asia-Pacific region means that there will be a greater portability of qualifications - qualifications from Fiji being recognised in Asia-Pacific countries and also people in Asia-Pacific countries can continue to strengthen our ability to be an education hub. As the Honourable Attorney-General has pointed out, people come to Fiji to study Korean, to study English. Students from Korea, students from Japan come and study here but largely, a lot of them come to study English but now they have the opportunity to come and study within our institutions and if those qualifications are recognised, it can become portable to their own countries.

One of the other areas that I was thinking of as I was hearing this was, one of the challenges that we have in a lot of these Asian countries is the changing of their population structures. A lot of the countries are becoming much older and in Fiji, in the Pacific we have a much younger population. A lot of these countries are now facing labour shortages, they need to look at getting people from other countries to contribute to their GDP because there are a lot more older people in their countries so it becomes much more difficult for those countries to look for young people to do the work that is required.

Now, this represents an opportunity for us in places like Fiji where we can train up our young in qualifications that would be then recognised in those other countries and it eases, it assists the ability to be able to go and work in those other countries because their qualifications from Fiji will be recognised in those other countries. We know that one of the challenges we had when we looked at the unemployment survey

that came out a few years ago, I cannot actually remember what year it was, probably 2017 or 2018, that our unemployment rate in general was around 4.5 percent but for youth was 18 percent.

So, one of the challenges that we have is also to find employment opportunities for our people offshore and I believe the recognition of qualifications, if Fiji signs up to this Convention, our Fiji qualifications will also be recognised offshore and it gives us an opportunity to tap into those markets.

One particular market that has been talked about recently is the ability for us to send people to work as caregivers but in a lot of these countries they have their own qualifications on what is required for a person to come from Fiji must have a qualification that is recognised in this country. So, this opens up a lot of opportunities, not only for people from other countries that wish to get trade in Fiji, but also for people that are in Fiji that can have Fiji qualifications that are recognised in other countries, especially in the Asia-Pacific region, that allows for portability of our young ones, it opens up work opportunities. With those few words, Mr. Speaker, Sir, I completely support the motion before the House.

HON. SPEAKER.- I thank the Honourable Minister, Jone Usamate. The Honourable Minister for Education, Heritage and Arts, you have the floor.

HON. R.S. AKBAR.- Mr. Speaker, Sir, I also rise to support the motion before the House and I would just like to add on my contribution to the speakers before me. I would also like to thank the work of the Fiji Higher Education Commission and I believe that we need international consistency in the recognition processes which will enable transparent information of quality assurance processes for our education. It will also lead to open mechanisms for information about higher education institutions and programmes across the region and countries. It will enable building of trust between different national institutions and competent recognition of authorities. There will be greater shared understanding of fair and reasonable processes and procedures for recognition and, of course, capacity-building in processes.

Recognition, Honourable Speaker, can also be seen as an enabler for quality enhancement of higher education system which will help in retaining and attracting talent to higher education systems across the region, promoting as well as facilitating knowledge and skill transfer across borders, leading to increasing the quality and research, innovation capacities and improving the quality of teaching and learning of higher education institutions. I also believe that this will also lead to improving graduate competencies as well.

Profile and importance of higher education recognition also is important because there will be high level focus on the importance, and recognition will serve as an indicator of the standards of higher education in the education of member States. So, all in all, Mr. Speaker, Sir, I stand to support the motion. Thank you.

HON. SPEAKER.- I thank the Honourable Minister. I now give the floor to the Honourable Attorney-General and Minister for Economy, Civil Service and Communications, Honourable Aiyaz Sayed-Khaiyum to speak on his Right of Reply. You have the floor, Sir.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. Mr. Speaker, I would like to thank the two Honourable Ministers for their support for the ratification of this particular Convention. As highlighted by them and as the Committee has recommended, this ratification will, in fact, help propel Fiji a lot further into the international sphere regarding higher education and the quality and accreditation across borders and, in fact, it will be good both for our institutions and also for the overall well-being of the Fijian people. Thank you very much.

HON. SPEAKER.- Honourable Members, the Parliament will now vote.

Question put.

Motion agreed to.

HON. SPEAKER.- At this juncture, I would like to thank all Honourable Members for your contribution to today's sitting. We have gone through a lot and we now adjourn until tomorrow at 9.30 a.m.

The Parliament adjourned at 4.24 p.m.